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CONTENTS

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NORTHEAST ASIA

Japan

Nakayama Postpones Jan Visit to USSR *[KYODO]* 1
Soviet Ambassador Requests Financial Aid *[KYODO]* 1
Draft Budget Considers Projects in East Europe *[KYODO]* 1
Bulk of Overseas Assistance Goes to Mideast *[KYODO]* 2
JSP Presents Medical Aid to Iraq 25 Dec *[KYODO]* 2
Survey: Japan's Global Contribution Inadequate *[KYODO]* 2
Proposal To Improve Status of Koreans, Taiwanese *[KYODO]* 3
Draft Budget Limits Defense Spending *[KYODO]* 4
'New Austerity' in Defense Spending Outlined *[KYODO]* 5
Kaifu Meets Opposition Leaders on Draft Budget *[KYODO]* 6
Ministry Seeks To Improve Living Conditions *[KYODO]* 7
Kaifu Defers Decision on Cabinet Reshuffle *[KYODO]* 7
LDP Finalizes Political, Electoral Reform Plan *[KYODO]* 8
Inamura Quits LDP Over Tax Evasion Scandal *[KYODO]* 8
Opposition Demands Inamura Leave Diet *[KYODO]* 9
No Allocation for Okinawa's Ishigaki Airport *[KYODO]* 9
Report Says Radical Groups To Continue Violence *[KYODO]* 9
BOJ Chief Mieno Defends Tight Credit Policy *[KYODO]* 10
Ministry Reports on 1991 General Account Budget *[KYODO]* 11
Crude Oil Imports Increase From Previous Year *[KYODO]* 11

Mongolia

Shevardnadze Resignation Announcement Assessed *[Ulaanbaatar International]* 11
President Visits Nalayha Mine Disaster Site *[MONTSAME]* 12
Gorbachev Conveys Condolences *[MONTSAME]* 12
President Thanks Gorbachev *[MONTSAME]* 12
MPR-USSR Friendship Association Reviews Tasks *[MONTSAME]* 12
Chairman Elected *[MONTSAME]* 12
Democratic Party Staff Renounces Commission *[Ulaanbaatar International]* 13
Tax Service Established in Finance Ministry *[Ulaanbaatar International]* 13

North Korea

No Tae-u's Visit to Moscow Denounced *[Pyongyang Radio]* 13
Romanian Daily Assails No Tae-u's Soviet Visit *[Pyongyang Radio]* 14
NODONG SINMUN Views South's UN Plan *[KCNA]* 15
NODONG SINMUN on No's Envoy to Japan *[KCNA]* 15
South Korean Defects Through Third Country *[Pyongyang Radio]* 15
Team Spirit 'Incompatible' With N-S Talks *[KCNA]* 16
Pyongyang Radio Denounces Team Spirit Exercises 16
U.S. Plan for Free Trade Zone Assailed *[Pyongyang Radio]* 17
U.S. 'Trade Pressure' on South Viewed *[KCNA]* 18

Pyongyang Reports Shevardnadze's Resignation *[Pyongyang Radio]* 19
Soviet Political, Economic Difficulties Cited *[Pyongyang Radio]* 19
Economic Delegation Leaves for Soviet Republic *[KCNA]* 20
WPK Group Meets Thai Deputy Prime Minister *[Pyongyang Radio]* 20
WPK Delegation Departs Thailand *[Pyongyang Radio]* 20
Electronics Cooperation Protocol Signed With Cuba *[KCNA]* 20
Peruvian Party Leader Meets WPK Delegation *[KCNA]* 20
KCNA Reviews Newspapers for 26 December 20
Daily on People's Power Under Party Guidance *[KCNA]* 21
National Symposium on Educational Science Held *[KCNA]* 22

South Korea

NSP Arrests 31 in North Underground Group *[YONHAP]* 22
Choe Ho-chung Expects North To Join UN in 1991 *[YONHAP]* 23
Seoul Likely To Apply for UN Membership in 1991 *[YONHAP]* 23
North To Return Rice Because of Publicity *[YONHAP]* 24
Woman Behind Donation Interviewed *[CHUNGANG ILBO 24 Dec]* 24
Refusal To Accept Rice Viewed *[CHOSON ILBO 26 Dec]* 24
Group in Japan Conducts Anti-ROK Operations *[Seoul Radio]* 25
Cabinet Adopts Inter-Korea Fund Law *[YONHAP]* 25
North Names Head Delegate to Japan Talks *[SEOUL SINMUN 22 Dec]* 26
North Seeks Ties With Latin American Nations *[CHOSON ILBO 25 Dec]* 26
Theology Course Opens at Kim Il-song University *[HANGYORE SINMUN 21 Dec]* 26
Korean General Likely To Become MAC Head *[YONHAP]* 26
Officials To Meet, Discuss U.S. Trade Friction *[YONHAP]* 26
Seoul-Washington Relations Viewed *[HANGYORE SINMUN 23 Dec]* 27
Editorial on Trade Friction *[CHUNGANG ILBO 24 Dec]* 28
No Aims at Pyongyang 'by Way of Moscow, Beijing' *[THE KOREA HERALD 23 Dec]* 29
No Tae-u Sends Christmas Message to U.S. Forces *[YONHAP]* 29
Verbal War Between North, USSR Heats Up *[TONG-A ILBO 24 Dec]* 29
Editorial Views Shevardnadze's Resignation *[CHOSON ILBO 22 Dec]* 30
Kim Tae-chung Urges Prudence in USSR Relations *[YONHAP]* 31
Major Cabinet Reshuffle Likely This Week *[YONHAP]* 32
National Scene Viewed in Wake of Northern Policy *[THE KOREA TIMES 23 Dec]* 32
Minister Explains Economic Policy for 1991 *[YONHAP]* 33
Second Korean Ethnic Festival Set for Sep 1991 *[YONHAP]* 34
Japan-Bound Exports Slip by $1 Billion *[YONHAP]* 34
Explanation Demanded on U.S., USSR Ties *[YONHAP]* 34
* Firms Get Most-Favored-Nation Status in USSR *[MAEIL KYONGJE SINMUN 23 Nov]* 35
* Prospects for Export Industry Said Brighter *[CHUNGANG ILBO 14 Nov]* 36

SOUTHEAST ASIA

Burma

Another NLD Member Joins Dissident Government *[Bangkok THE NATION 25 Dec]* 37
More Insurgents Surrender 18-30 Nov *[Rangoon Radio]* 37

Brunei, Malaysia, & Singapore

Malaysia

Kuwaiti Delegation Arrives for Official Visit *[BERNAMA]* 37
Ask for Support on UN Resolutions *[Kuala Lumpur International]* 38
Delegation Reiterates Gulf Stand *[Kuala Lumpur International]* 38
Developed Countries Criticized for Subsidies *[Kuala Lumpur Radio]* 38
Commentary Regrets Failure of Paris Talks *[Kuala Lumpur International]* 38
King, Queen Return Home From Thailand *[Kuala Lumpur TV]* 39
Trade Increase Recorded in Jan-Sep Period *[Kuala Lumpur International]* 39
Talks for Swedish Submarines Underway *[Kuala Lumpur International]* 39

Cambodia

Phnom Penh SNC Delegates Return From Paris *[Phnom Penh Radio]* 39
Delegation Returns From French Party Congress *[Phnom Penh Radio]* 39
Heng Samrin Speaks on Settlement Negotiations *[Phnom Penh Radio]* 40
Commentary: UN Must Prevent Khmer Rouge Return *[Phnom Penh Radio]* 41
Tie Banh Concerned Over Arms Supply to Rebels *[Bangkok THE NATION 22 Dec]* 42
Minister Tie Banh Greets SRV Counterpart *[Phnom Penh Radio]* 42
Deputy Defense Minister Visits Takeo Province *[Phnom Penh Radio]* 43
Commentary Denies Claim of SRV Troop Presence *[Phnom Penh Radio]* 43
672 'Misled People' Returned to Province in 1990 *[SPK]* 44
Ieng Muli Calls Paris Meet 'Very Satisfactory' *[Radio VOK]* 44
Radio Reports Khieu Samphan Statement in Paris *[Radio VONADK]* 45
VONADK Reports Paris Conference Communique 47
Editorial Marks SRV Invasion Anniversary *[Radio VODK]* 48
VONADK: 200 SRV Troops Sent to Mondolkiri 49

Indonesia

Alatas Returns From Talks, Briefs Journalists *[Jakarta Radio]* 49
Suharto on Acceptance of Private Investment *[ANTARA]* 49
OPEC's Subroto Briefs Suharto on Activities *[Jakarta Radio]* 50
Forestry Minister Speaks on EC Timber Boycott *[ANTARA]* 50
Official Dispels Rumors of Troubled Institutions *[ANTARA]* 50

Philippines

Plot To Sabotage Air Force Planes Uncovered *[PHILIPPINE DAILY GLOBE 26 Dec]* 51
Army Chief Denies Coup Attempt *[Manila Radio]* 51
Further on Denial *[AFP]* 51
Defense Forces on Full Alert *[PHILIPPINE DAILY INQUIRER 24 Dec]* 52
Honasan Letter Appeals for 'National Survival' *[PHILIPPINES NEWSDAY 26 Dec]* 53
Army Chief on Honasan *[Manila Radio]* 54
Honasan Visits Investigated *[Manila Radio]* 54
224 Soldiers of Mindanao Mutiny Dismissed *[PHILIPPINES NEWSDAY 13 Dec]* 54
Aquino Agrees to Return of Cojuangco's Family *[Quezon City Radio]* 55
Iranian Deputy Minister Assures Oil Supply *[Manila Radio]* 55
Cooperation Agreement Signed *[Quezon City Radio]* 55
Embassy in Saudi Arabia To Assess Gulf Crisis *[Manila Radio]* 55
Senator Opposes U.S. Bases Use in Gulf Crisis *[Quezon City Radio]* 55
Communist Party To Join Next Military Uprising *[KYODO]* 56
Party Sees 'Turbulent Year' *[PHILIPPINE NEWSDAY 26 Dec]* 56
Military on Alert for NPA Anniversary Violence *[Quezon City Raido]* 57

Vietnam

Foreign Ministry Official Welcomes Cambodian Meet *[AFP]* 57
Commentary Supports State of Cambodia's Stance *[Hanoi Radio]* 57
Yemen Supports Stance on Cambodian Issue *[VNA]* 58
Hau Giang Disciplines 800 Party Members *[Hanoi Radio]* 58
64 District Party Members Disciplined *[Hanoi Radio]* 58
Ha Nam Ninh Takes Action Against Party Members *[Hanoi Radio]* 58

Japan

Nakayama Postpones Jan Visit to USSR

OW2612125390 Tokyo KYODO in English 1245 GMT 26 Dec 90

[Text] Tokyo, Dec. 26 KYODO—Foreign Minister Taro Nakayama has decided to postpone his visit to the Soviet Union slated for early January, Foreign Ministry officials said Wednesday.

Officials said the decision was made after consultations between the two nations, citing the current political situation in the Soviet Union as the reason.

Last week, Soviet Foreign Minister Eduard Shevardnaze warned that the Soviet Union was headed for dictatorship and announced his intention to resign.

Early in the day, Nakayama said he was still waiting for Moscow's reply to his proposal for holding regular consultations with Shevardnadze to pave the way for the April visit to Japan by President Mikhail Gorbachev.

The ministry will negotiate with the Soviet Union on Nakayama's visit to Moscow through diplomatic channels, the officials said.

Soviet Ambassador Requests Financial Aid

OW2512152290 Tokyo KYODO in English 1454 GMT 25 Dec 90

[Text] Tokyo, Dec. 25 KYODO—Soviet Ambassador to Japan Lyudvig Chizhov asked Tuesday for Japanese financial assistance in overcoming the Soviet Union's economic difficulties, Foreign Ministry officials said.

The Soviet envoy made the request during a meeting with Nagao Hyodo, director general of the ministry's European and Oceanic Affairs Bureau.

This is the first time that the Soviet Union has directly asked a government official for Japanese financial assistance.

Chizhov expressed gratitude for Japan's decision to provide emergency aid to the Soviet Union and said that Moscow wants to have extensive economic cooperation with Tokyo.

The Soviet Union also expects Japan to cooperate in helping the country develop technology and train experts.

Chizhov was quoted as saying that the Soviets need to have normal economic relations with every nation to overcome their economic hardships.

In response, Hyodo reiterated Japan's position linking economic aid to progress in the dispute between the two countries over the four Soviet-held islands off Hokkaido, according to the officials.

Hyodo, however, added that Japan will continue providing technical and intellectual assistance to promote perestroyka (restructuring) reform in the Soviet Union.

The government last week announced an emergency relief and loan package totaling about 14 billion yen to help the Soviet Union overcome its serious food and medical supply shortages.

Hyodo asked Chizhov whether the Soviets intend to postpone the planned visit by Japanese Foreign Minister Taro Nakayama to Moscow in early January due to Soviet Foreign Minister Eduard Shevardnadze's sudden announcement of his resignation.

Chizhov simply said that he has heard nothing about it and promised to ask Moscow about the matter, the officials said.

Draft Budget Considers Projects in East Europe

OW2412123990 Tokyo KYODO in English 1157 GMT 24 Dec 90

[Text] Tokyo, Dec. 24 KYODO—The Finance Ministry announced on Monday it will allocate 90 million yen for fiscal 1991 to promote labor-related projects in two East European countries, the first time it has done so in the postwar period.

The Labor Ministry earlier asked the Finance Ministry to allocate 212 million yen for Hungary and Poland through the International Labor Organization (ILO) because of a need for technical and management training assistance to the countries, a Labor Ministry official said.

Hungary and Poland hope to receive technical and management training aid. Their governments say the aid will be one way to stop a deterioration in their economies since late last year.

The Finance Ministry also proposed allocating 3.3 billion yen for a share of costs which Japan will extend to the ILO for fiscal 1991, up from 2.7 billion yen for fiscal 1990.

Labor-related aid to the two East European countries and share costs for the ILO are part of 13.87 billion yen for international labor cooperation, which the Labor Ministry earlier asked the Finance Ministry to allocate.

The Labor and Finance Ministries are expected to enter a round of bargaining over the labor budget for fiscal 1991 to finalize it by late this week.

The Labor Ministry sought to receive 544.5 billion yen for fiscal 1991 from the Finance Ministry last August, up 5.7 percent from the previous fiscal year.

Bulk of Overseas Assistance Goes to Mideast

OW2412122390 Tokyo KYODO in English 1135 GMT 24 Dec 90

[Text] Tokyo, Dec. 24 KYODO—The Finance Ministry on Monday unveiled a draft budget for fiscal 1991, earmarking approximately 865.0 billion yen in official development assistance (ODA), a 5.8 percent increase from the current fiscal year.

The proposal is subject to negotiations between the Finance Ministry and other ministries seeking to distribute ODA funds. It will be finalized this weekend. The government will then submit its budget bills for approval in the Diet next month.

The government approved an 8.2 percent hike in the initial ODA budget for fiscal 1990 to 817.5 billion yen, although the Finance Ministry proposed alloting about 800 billion yen, up 5.9 percent from fiscal 1989, in its draft budget for aid to developing countries and international organizations.

The Foreign Ministry has said it needs a growth greater in the next fiscal year than the 8.2 percent in fiscal 1990 in order to fulfill Japan's pledge to distribute 50 billion dollars in overseas contributions during the 1988-1992 period.

The five-year ODA plan aims at doubling the total amount of ODA allocated during the preceding five-year period, as a symbol of Japan's efforts to play an important role in the international community as the biggest ODA donor.

Japan provided 9.13 billion dollars in the first year of 1988 and 8.96 billion dollars in 1989 in foreign aid, an amount a Foreign Ministry official said is considered "insufficient to achieve the five-year goal."

In August, the Foreign Ministry sought a 9.7 percent rise for the 1991 ODA budget over the current year's budget.

The draft budget, released by the finance minister, marks a 6 percent increase to 302.5 billion yen in funds allocated for the Oversease Economic Cooperation Fund (OECF), a major governmental body which implements ODA programs for bilateral aid including yen loans.

The Finance Ministry said the bulk of the 302.5 billion yen is allocated for financial aid to Middle East nations hardest hit by the Persian Gulf crisis.

Japan has so far pledged to extend 2 billion dollars for the relief of the "frontline nations"—Egypt, Jordan, and Turkey—to offset the adverse impact of trade embargoes against Iraq on their economies in September.

Spending on bilateral technical cooperation, including personnel training in developing nations and reception of foreign students, shows a 4.2 percent rise to 174.3 billion yen.

Bilateral grant-in-aid funds include 167.0 billion yen, representing a 3 percent increase, to help the "poorest" countries promote their economic development.

For international organizations, the Finance Ministry has also set aside disbursements showing a 2.3 percent rise to 126.7 billion yen, including 5.2 billion yen for the Organization for Economic Cooperation and Development (OECD).

A 1.7 billion yen special fund is allocated for the relief of Korean atomic-bomb victims in Japan as part of a pledge Prime Minister Toshiki Kaifu made when he met South Korean President No Tae-u in Tokyo in May.

JSP Presents Medical Aid to Iraq 25 Dec

OW2612051490 Tokyo KYODO in English 0305 GMT 26 Dec 90

[Text] Baghdad, Dec. 25 KYODO—Masato Okita, a Japan Socialist Party (JSP) parliamentarian, Tuesday presented medical aid to Iraq on behalf of the party.

Okita made the offering when he called on the Iraqi Parliamentarians Friendship and Solidarity Association office in Baghdad.

The list of medical supplies Okita handed to the association included enough antimeasles vaccine for 140,000 shots and 160,000 disposable syringes.

A further list will be given to the Iraqis December [date indistinct] the No. 1 opposition party dietman said.

Okita also handed a message from JSP Chairwoman Takako Doi addressed to President Saddam Husayn to First Deputy Prime Minister Taha Yasin Ramadan the same day.

The message supported French President Francois Mitterrand's proposal for the early calling of an international conference on the Persian Gulf crisis.

Survey: Japan's Global Contribution Inadequate

OW2512154790 Tokyo KYODO in English 1500 GMT 25 Dec 90

[Text] Tokyo, Dec. 25 KYODO—Europeans active in political, business and other circles believe Japan is "reliable," but do not think it is playing an international role commensurate with its economic power, according to a survey released Tuesday by the Foreign Ministry.

The ministry commissioned leading private research organizations in seven of the 12 member nations of the European Community to conduct the survey. Some 3,479 persons responded to either questionnaires or interviews.

The survey, the sixth of its kind since 1977, was carried out between September and October in Britain, the former West Germany, France, Italy, Belgium, the Netherlands and Spain.

Many Europeans see Japan positively, as a nation with economic power, advanced technology and old traditions, the survey showed. They also believe that individual Japanese are diligent, efficient and polite, and have a spirit of unity.

Asked whether Japan is "reliable," or "rather reliable," more than 70 percent of all respondents in the seven nations answered positively, the survey said.

By country, Italy and the former West Germany ranked highest in their trust of Japan, with 91 percent of their respondents expressing such trust, followed by The Netherlands with 87 percent, Spain with 85 percent, Belgium with 79 percent and France with 76 percent. Britain ranked last with 71 percent.

The survey, however, also showed that majority of people in all seven countries, with the exception of Italy, do not think that Japan is playing an international role in keeping with its economic power. In the former West Germany, 60 percent replied that they do not think so, up 15 points compared with the figure in a similar survey released last June.

Foreign Ministry Spokesman Taizo Watanabe told reporters that one of the reasons for dissatisfaction with Japan's contributions to the world community was simply the timing of the survey, which was conducted just after the Persian Gulf crisis broke out in August, when Europeans were focusing on Japan's reaction to the Iraqi aggression.

As areas in which Japan has made the most contributions, many Europeans cited the development of the world economy and the development of science and technology.

Many respondents expressed hopes that the current trade imbalances between Japan and their countries would be promptly corrected.

As ways of reducing Japan's trade surplus with the European nations, a majority of respondents in all seven nations said Japan should make every effort to open its markets and increase imports from the EC nations.

A majority also answered that they welcomed Japanese investments in East European countries, according to the survey.

As for future EC-Japan relationships, many said that Japan and the EC should overcome the trade imbalances and increase cooperation in such areas as industry, science and technology.

Many believe that the full integration of the EC market in 1991 will have a favorable effect on overall Japan-EC relations.

Proposal To Improve Status of Koreans, Taiwanese

OW2512204090 Tokyo KYODO in English 1447 GMT 25 Dec 90

[Text] Tokyo, Dec. 25 KYODO—The government will submit to the current Diet session a bill improving the legal status of Japan's 600,000 residents from prewar Korea and Taiwan and their descendants, ministry sources said Tuesday.

The bill would write into law changes agreed to in a Japanese-South Korean foreign ministers' meeting in April, but apply the improvements to North Koreans and Taiwanese as well as South Koreans.

If the bill passes, Koreans and Taiwanese could be deported only for insurrection and other grave crimes. The bill would also prolong the period they can stay outside Japan without forfeiting the right to return from the current two years to five years.

The bill would apply to Koreans and Taiwanese who came or were brought to Japan before their countries were freed from Japanese colonial rule in August 1945 and their descendants.

It would be the first legal stipulation improving the status not only of South Korean residents of Japan but also North Koreans and Taiwanese.

The bill would also make it easier for legally defined third-generation South Korean residents—of whom there are now fewer than half a dozen—to get permanent residency.

The policy was agreed upon in a meeting between officials from the Justice Ministry and the ruling Liberal Democratic Party (LDP), the sources said.

Until Japan's defeat at the end of World War II, Koreans and Taiwanese were considered "imperial Japanese subjects" and many were conscripted for forced labor or military service.

In 1952, however, when Japan regained its sovereignty from the occupying allied forces, it stripped residents from its former colonies of their Japanese nationality and began treating them as aliens subject to immigration control.

Their demands for direct compensation have been ignored.

In the case of South Korea, Japan argues that the 1965 agreement normalizing relations, under which it provided 500 million dollars in economic assistance to the Seoul Government, relieves it of any further responsibility.

Japan and North Korea have no diplomatic ties, but the two countries plan to begin normalization talks in January, and compensation for the colonial period is certain to be a key issue.

Pyongyang's ruling Korean Workers Party, and Japan's LDP and Japan Socialist Party issued a joint declaration in September urging that the rights of North Korean residents of Japan be guaranteed.

Draft Budget Limits Defense Spending

OW2412120790 Tokyo KYODO in English 1125 GMT 24 Dec 90

[Text] Tokyo, Dec. 24 KYODO—The Finance Ministry presented Monday a draft budget for the coming fiscal year that aims to bring Japan's inferior living standards to levels commensurate with its economic strength.

The draft budget also features continued efforts toward fiscal restructuring by achieving some reduction in government bond issues despite sluggish tax revenue growth amid a slowdown in the Japanese economy.

The draft budget, approved at a special cabinet meeting, allocated 70,347.4 billion yen for its general account for fiscal 1991, starting next April, a 6.2 percent increase over the initial budget for the current fiscal year.

Of the sum, the government would spend 37,238.2 billion yen, up 5.3 percent over fiscal 1990. The remaining amount would be set aside for debt-servicing costs and funds allotted to local governments.

The 5.3 percent expansion in general operating expenditures, the biggest since a 5.1 percent rise in fiscal 1980, is chiefly attributable to Japan's 10-year program of social infrastructure spending embodied in the structural impediments initiative (SII) talks with the United States.

In line with the final SII agreement in June, which obliges Japan to spend 430 trillion yen over the next decade on public works projects, the ministry established a new budget item worth 200 billion yen for improvement of the national quality of life.

Ministry officials said the fiscal 1991 budget marks a first step toward improvement of its poor social infrastructure, an urgent task for a country faced with a rapidly aging population.

Despite having one of the highest per capita incomes in the world, the quality of Japan's social infrastructure is believed to be below even the 1965 standards in the United States, Germany, and France.

The draft budget, which provides the basic framework for government spending in the new fiscal year, is subject to further negotiation and slight modification before the government adopts its final program on the weekend. The budget will then be sent to the Diet for approval in late January.

Debt-servicing expenses, another item pushing up general expenditures, would rise 10.8 percent to 15,834.3 billion yen, accounting for 22.5 percent of the general-account outlays.

Ministry officials attributed the rise mainly to increased interest payments on government bonds outstanding. The coupon rate on such bonds has risen about 2 percentage points in the past year.

The draft budget is based on a government estimate that the Japanese economy will grow 3.8 percent in the coming fiscal year, modest compared with a revised 5.2 percent expansion for fiscal 1990.

Taking into account the expected slowdown in the economy, the draft budget calls for a 6.5 percent growth in tax revenue, to 61,772.0 billion yen, a substantial decline from the 13.7 percent increase originally envisaged in the fiscal 1990 budget.

The level-off in tax revenue would lead the government to issue larger-than-expected public works-financing bonds, or construction bonds, totaling 5,343.0 billion yen, bringing outstanding government bonds to about 168 trillion yen at the end of fiscal 1991.

The total issues, though smaller by 250.2 billion yen than fiscal 1990, mean that the government would fail to achieve its original plan to slash its bond issues by 400 billion yen in the new fiscal year under its fiscal restructuring policy.

The combined sum of bond issues represents 7.6 percent of the total revenue, against an 8.4 debt dependence in the original fiscal 1990 budget. [sentence as received]

Under the restructuring program, the government is supposed to reduce this ratio below 5 percent in the five-year period, beginning next year.

The ministry officials expressed regret over the failure to curb bond issues to the originally planned level, but they said this is inevitable, given slower tax revenue growth and rising interest rates.

"Shaving 250 billion yen would be a new move toward fiscal restructuring," a ministry official said.

With tax revenue and bond issues falling far short of general expenditures, the draft budget calls for contributions from the Bank of Japan (BOJ) and a transfer of funds from a special account for foreign exchange transactions as well as proceeds from sales of the government's holdings in Nippon Telegraph and Telephone Corp (NTT).

In addition, the government would freeze a portion of its tax grants to local governments.

Along with the 200 billion yen special outlays, public works spending under general expenditures would increase 6.0 percent over fiscal 1990 to 6,589.7 billion yen, a sharp rise from the 0.3 percent growth in the fiscal 1990 budget.

The ministry officials said these expenditures, combined with other outlays for public works projects in the

budget, will enable Japan to ensure the 6 3 percent growth in public spending envisaged under the SII agreement.

In view of the quickly relaxing tensions between the East and West, defense spending would be given less importance, rising 5.1 percent to 4,372.9 billion yen, the lowest growth since 1960.

The growth, which compares with a 6.1 percent increase in the fiscal 1990 budget, represents 0.951 percent of the nation's gross national product (GNP), making fiscal 1991 the second consecutive year in which defense outlays are kept below 1 percent of GNP.

Japan had kept the ratio below 1 percent from 1976 through 1987 after which then Prime Minister Yasuhiro Nakasone scrapped the cabinet-imposed limit under pressure from Washington to share more of the defense burden.

The draft budget also earmarks about 865.0 billion yen for official development assistance (ODA), or aid to developing countries and international organizations, an around 5.8 percent increase over the fiscal 1990 budget.

The increase, compared with 8.2 percent growth in fiscal 1990, is far smaller than the 9.7 percent increase the Foreign Ministry contended is needed to accomplish Japan's pledge to extend 50 billion dollars in ODA over a five-year period starting in 1988.

Of the outlays, 302.5 billion yen would be set aside for funds going to the governmental Overseas Economic Cooperation Fund (OECF) in relation to Japan's financial assistance to the so-called frontline nations—Egypt, Jordan, and Turkey—that have been hardest hit by the crisis in the Persian Gulf.

The ODA outlays would confirm Japan's position as the world's top donor of ODA funds on a dollar-basis for the third straight year.

At the same time, the ministry proposed a mild 5.2 percent growth in the fiscal investment and loans program to 36,362.2 billion yen for the next fiscal year.

The program, known as the second budget, draws on resources from postal-savings accounts and other non-tax revenue and is used for spending on housing loans, roads, and other items.

'New Austerity' in Defense Spending Outlined

OW2412123190 Tokyo KYODO in English 1141 GMT 24 Dec 90

[Text] Tokyo, Dec. 24 KYODO—The Finance Ministry proposed on Monday a draft defense budget for fiscal 1991 beginning April next year totaling 4,372.9 billion yen, up 5.1 percent over the previous fiscal year, but posting the lowest increase in 31 years.

The 5.1 percent increase is the lowest since 1961 when the figure was 0.6 percent, the year before a sudden leap to double digit figure increases which went virtually unbroken until 1979.

This latest low is attributable to a relaxation in tensions between the Soviet bloc and the West's capitalist nations, a Finance Ministry official said.

The official said the new austerity in defense spending is in line with the 1991-1995 five-year mid-term defense spending program beginning April next year, approved by the Japanese Government on December 20.

The mid-term defense program will cost a total of 22.75 trillion yen. It represents an average annual increase in defense outlays of 3 percent, about half of the 5.4 percent annual rate of increase in the previous 1986-1990 plan.

Despite a 3 percent annual increase envisaged for the next five- year defense plan, a 5 percent annual hike for defense spending in the draft fiscal 1991 budget is caused by rising personnel costs at 1.75 trillion yen and previous contract costs at 1.7 trillion yen scheduled to be paid during the next fiscal year.

The Defense Agency earlier requested the ministry allocate 4,402.3 billion yen, up 5.8 percent over the current fiscal year.

The Finance Ministry will finalize defense spending for fiscal 1991 late this week following bargaining with the agency.

In its proposal, the Finance Ministry refused the agency's funding requests for 34 type-90 tanks fitted with 125-mm guns and one Aegis ship, while reducing from 11 to six the number of F-15 fighters.

Defense expenditures were put at 0.951 percent of the nominal gross national product (GNP). This would be the second consecutive year such spending has been kept below 1 percent. An outlay of more than 1 percent of GNP was recorded from 1987 to 1989.

The restriction of defense spending to 1 percent of the nation's GNP was initiated by Prime Minister Takeo Miki's cabinet in 1976.

Standardized calculations of military strength used by the NATO alliance have made Japan the third highest defense spender in the world. Defense experts point to high personnel spending and the high value of the yen against the dollar to account for the amount.

Referring to items set aside by the ministry, military research and development costs increased from 103.2 billion yen for fiscal 1990 to 104.4 billion yen for fiscal 1991.

The ministry also allocated 46.6 billion yen on a contract basis for military barracks at 67 sites and 1,159 defense personnel family housing units. Barracks at 43 of 67 sites

will be improved by expanding floor space and by accommodating fewer personnel per room in each barrack.

The ministry also increased its allocation for the cost of supporting U.S. forces stationed in Japan from 168 billion yen in fiscal 1990 year to 177.5 billion yen in fiscal 1991 year.

Of the 177.5 billion yen, 10.2 billion yen is for heating and water costs, which Japan will pay for the first time from fiscal 1991.

Additional disbursement for heating and water utilities will reach 84 billion yen in 1995, the last year of the five-year defense plan beginning April next year, bringing Japan's total spending to 50 percent of total U.S. base support costs.

Kaifu Meets Opposition Leaders on Draft Budget

OW2512132990 Tokyo KYODO in English 1309 GMT 25 Dec 90

[Text] Tokyo, Dec. 25 KYODO—Leaders of opposition parties on Tuesday called on Prime Minister Toshiki Kaifu to immediately revise the controversial 3 percent consumption tax, government officials said.

The demand was made in separate meetings between opposition leaders and Kaifu at the prime minister's official residence.

Kaifu separately met Takako Doi, chairwoman of the Japan Socialist Party (JSP), Koshiro Ishida, chairman of Komeito, Tetsuzo Fuwa, chairman of the Presidium of the Japan Communist Party (JCP), Keigo Ouchi, chairman of the Democratic Socialist Party (DSP), and Satsuki Eda, leader of the United Social Democratic Party (USDP), to hear their views on the draft budget for fiscal 1991.

The Finance Ministry on Monday outlined for other ministries and agencies a 70.35 trillion yen national budget for fiscal 1991 starting next April. The cabinet is scheduled to endorse a final budget draft on Saturday after negotiations between the Finance Ministry and other government branches.

In her Tuesday talks with Kaifu, Doi stressed the need to continue consultations between the ruling Liberal Democratic Party (LDP) and opposition parties on revising the consumption tax. Doi also demanded that the government take measures to exempt food from the tax at all levels of distribution.

Kaifu was quoted as saying that the government is ready to promptly and sincerely take the necessary steps to revise the tax if the talks between the LDP and the opposition camp lead to an agreement.

Ichiro Ozawa, secretary general of the LDP, met with his counterparts from opposition parties last week in a last-minute attempt to reach agreement on modifications to the 20-month-old tax. The talks collapsed, however, and the tax is almost certain to remain intact in its current form through the next fiscal year.

Referring to a tax evasion case involving Toshiyuki Inamura, former chief of the Environment Agency, Doi, leader of the largest opposition party, asked Kaifu to legislate a political ethics code and to revise the political funds control law in order to prevent the recurrence of such incidents.

Kaifu was quoted as telling Doi that he takes the case very seriously and that he understands that political ethics is the foundation of political reform. He did not, however, give any specific response to the demand by Doi.

The Tokyo District Public Prosecutor's Office last Wednesday began questioning Inamura, a lower house member of the LDP, on suspicion of failing to declare massive stock profits of more than 2 billion yen.

Inamura, who served as the Environment Agency chief in 1986 and 1987, is expected to be indicted on charges of tax evasion without being arrested.

Koshiro Ishida, leader of the second-largest opposition group, in a separate meeting, criticized the government's next five-year defense buildup plan, saying the program runs counter to the current easing of the international situation.

Last Thursday, the government adopted a 22.75 trillion yen defense buildup program to start next April. The plan represents an average annual increase of 3 percent, about half as big as the 5.4 percent annual increase in the current 1986-1990 program.

Kaifu responded by saying that the government controlled the increase in defense outlays in the program. He also said that the government drew up the plan on the assumption that it may be reviewed during the five-year period, according to the officials.

Fuwa and Eda also called on Kaifu to reduce the defense expenditures in keeping with the relaxation of East-West relations.

In his meeting with Ouchi, Kaifu said that he will make an all- out effort to solve pending issues when he visits South Korea.

Kaifu is scheduled to meet South Korean President No Tae-u in Seoul in early July to discuss international and bilateral issues. South Korea has been pressing Japan to solve the issue of South Korean residents' legal status in Japan, including the fingerprinting system.

Ministry Seeks To Improve Living Conditions

OW2412121390 Tokyo KYODO in English 1132 GMT 24 Dec 90

[Text] Tokyo, Dec. 24 KYODO—The Finance Ministry (MOF) proposed Monday to allocate more funds for improving living conditions in the fiscal investment and loans program for fiscal 1991.

The MOF presented a plan to increase the share of investment and loans for improvement in social infrastructure to 64.2 percent, or 18,560.1 billion yen, out of its general outlays worth 28,912.2 billion yen, up 4.7 percent.

This marks a 3.3 percentage points increase in the share compared to the fiscal 1990 figure, whereas the annual increase had averaged 0.9 point per annum during the fiscal 1985-1989 period.

The funds for improving conditions are used to finance construction of roads, sewage systems, airports, houses, parks, schools and facilities for the aged.

The total figure for the so-called second budget, including portfolio investment management by the trust fund bureau and two semigovernmental units, amounted to 36,362.2 billion yen, a moderate increase of 5.2 percent, compared to a 7.1 percent rise in fiscal 1990.

The fiscal and investment loans program is financed mainly by public funds controlled by the government including postal savings and public pension funds.

The philosophy behind the distribution of the funds is to provide a better social infrastructure while promoting continued economic development supported by domestic demand without enhancing inflationary pressure, a Finance Ministry official said.

Funds distributed for public works showed a 9.6 percent increase in fiscal 1991 at 4,713.0 billion yen, compared to a 2.8 percent rise in fiscal 1990. Funds allocated for five public corporations in road construction showed a 10.2 percent increase.

Outlays for building airport facilities boosted the figure by 197.6 percent to 123.5 billion yen. This was largely triggered by the planned expansion of Tokyo International Airport adjacent to metropolitan Tokyo.

The loan program for better housing through the Housing Loan Corp. surged 13.7 percent to 6,358.0 billion yen.

Local government and public institutions will be funded a total of 4,365.0 billion yen. The figure shows a 4.7 percent increase, in contrast to a 1 percent drop in fiscal 1990. Improvement of sewage systems is mainly funded through this sector.

The Japan Development Bank will be allocated 1,260.5 billion yen, an increase of 15.5 percent over the previous year. The rise was a mere 3.9 percent this fiscal year.

In line with Japan's pledge at the structural impediments initiative (SII) talks with the United States, funds earmarked for the bank will be used to improve social infrastructure such as the construction of subways. This allocation also includes funds for adjustments made to infrastructure to protect the ozone layer by limiting emission of noxious particles.

Financial aid to countries affected by the Persian Gulf crisis boosted outlays from the Overseas Economic Cooperation Fund by 23 percent over the previous year to 727.0 billion yen. About 1.3 billion dollars out of the 2 billion dollar bailout the Japanese Government had promised are included, the ministry said.

A 69.5 percent decline in the sum earmarked for liquidation of the former Japan National Railways (JNR) to 415.9 billion yen contributed to pushing down the growth in the general outlays to 4.7 percent in fiscal 1991. It was 4.9 percent this fiscal year.

The ministry attributed the reduction to revenues from sales of land and the scheduled offering of Japan Railways shares next year. JNR was privatized on April 1, 1987, to become Japan Railways (JR).

Kaifu Defers Decision on Cabinet Reshuffle

OW2612084090 Tokyo KYODO in English 0652 GMT 26 Dec 90

[Text] Tokyo, Dec. 26 KYODO—Prime Minister Toshiki Kaifu, citing ongoing budget preparations and uncertainties in the Soviet Union, on Wednesday deferred a decision on when to carry out a widely expected reshuffle of his cabinet.

Liberal Democratic Party (LDP) Secretary General Ichiro Ozawa, emerging from a 40-minute meeting with Kaifu at the prime minister's official residence, told reporters he will meet Kaifu again later this week, probably on Saturday, after the budget work is over.

Pressure has been building up within the LDP for a reshuffle of Kaifu's 10-month-old cabinet but the prime minister has refused to divulge his plans on the matter. LDP faction leaders are demanding a reshuffle, primarily as a means to rotate cabinet posts among faction members.

Ozawa said he told Kaifu there is still strong pressure within the party for a reshuffle before the end of the year, but that Kaifu was noncommittal.

"I will think about it carefully and let you know in due course," Kaifu was quoted as telling Ozawa.

When asked by reporters later about the reshuffle, Kaifu cited the budget and uncertainties over talks with the Soviet Union as issues requiring his immediate attention.

Foreign Minister Taro Nakayama was scheduled to meet his Soviet counterpart Eduard Shevardnadze in early

January, but the meeting has been thrown into limbo since Shevardnadze last Thursday declared his intention to resign.

Kaifu also confirmed that he will be meeting with Ozawa but said he does not know when the meeting will take place.

As LDP secretary general, Ozawa is responsible for channeling party feelings to Kaifu, who also serves as the party's president.

LDP Finalizes Political, Electoral Reform Plan

OW2512143490 Tokyo KYODO in English 1352 GMT 25 Dec 90

[Text] Tokyo, Dec. 25 KYODO—The ruling Liberal Democratic Party [LDP] on Tuesday announced a political and electoral reform plan featuring reduction of the number of seats in the House of Representatives and introduction of a combined-single seat constituency and proportional representation system for lower house elections.

The plan was adopted the same day by the party's decision-making Executive Council headed by Takeo Nishioka.

Nishioka said that the LDP will start negotiations with the opposition parties on political and electoral reforms based on the party plan.

The government and the LDP plan to introduce legislation into the Diet next April aimed at revamping the current electoral system after reviewing the existing laws governing elections and political funds.

The negotiations between the LDP and the opposition camp, however, are expected to face rough going because all opposition parties have expressed opposition to introduction of single-seat constituencies for elections to the lower house.

Even junior members of the LDP, who fear that they will lose their seats in the face of the intensified competition that would follow introduction of single-seat constituencies, have voiced criticism of the plan.

Under the LDP plan, the number of seats in the powerful lower house would be reduced from 512 to 471.

Of the 471 seats, 300 would be elected from the single-seat electoral districts, while the remaining 171 would be selected under a proportional representation system.

Eligible voters would vote for one candidate in their electoral district as well as for a particular party under the proportional representation formula.

The plan calls for the Electoral System Council, an advisory panel to Prime Minister Toshiki Kaifu, to study ways to divide the country into single-seat constituencies.

According to the plan, incumbent LDP lower house members would take precedence over newcomers in the selection of candidates to run on the party ticket.

The plan, however, also foresees the study of a mandatory retirement system among the party's lower house members after the new electoral system is firmly established.

The current system of multiple-seat constituencies, which allows for the election of three to five candidates from each electoral district, has been criticized for encouraging costly elections because members of different factions of the same party must compete against each other for the seats.

As for reforms in the political fund-raising system, the plan would permit political contributions by companies and labor unions only to parties. However, political donations of less than 20,000 yen per month to individual politicians would be admitted.

The plan also calls for setting up an official subsidiary system to provide official financial aid for political parties.

The scheme stops short of proposing any reforms in the election system for the 252-member House of Councillors. It also fails to make concrete proposals to promote intraparty democratization.

Inamura Quits LDP Over Tax Evasion Scandal

OW2612055290 Tokyo KYODO in English 0258 GMT 26 Dec 90

[Text] Tokyo, Dec. 26 KYODO—Toshiyuki Inamura, a ruling Liberal Democratic Party (LDP) Diet member and former Environment Agency chief, who has been questioned by prosecutors on suspicion of tax evasion, decided Wednesday to quit the LDP, his aides said.

Inamura sent his notice of resignation by facsimile to the office of the LDP faction to which he belongs—that led by influential parliamentarian Michio Watanabe.

Diet member Toshio Yamaguchi, secretary general of the Watanabe Faction, will deliver Inamura's message to LDP Secretary General Ichiro Ozawa, faction members said.

The faction gave its consent to Inamura to leave it, they said.

The Tokyo District Public Prosecutor's Office last Wednesday began questioning Inamura, a Lower House member of the Diet, on suspicion of failing to declare massive stock profits of some 2.8 billion yen.

Inamura, who served as Environment Agency chief in 1986 and 1987, is expected to be indicted on charges of tax evasion without being arrested.

He apparently joined Mitsuhiro Kotani, a stock market speculator, in buying up a large amount of the shares of a sewing machine firm. Kotani has been arrested on suspicion of manipulating the price of the shares.

Opposition Demands Inamura Leave Diet

OW2612083890 Tokyo KYODO in English 0715 GMT 26 Dec 90

[Text] Tokyo, Dec. 26 KYODO—Former Environment Agency chief Toshiyuki Inamura resigned from the ruling Liberal Democratic Party (LDP) on Wednesday amid a burgeoning tax-evasion and stock-manipulation scandal.

The LDP the same day officially accepted Inamura's letter of resignation, submitted through his aide.

Inamura, who is serving his eighth term in the House of Representatives from Tochigi Prefecture, also quit the LDP faction headed by former Finance Minister Michio Watanabe.

Opposition parties on Wednesday called for Inamura to relinquish his seat in the lower house.

The Tokyo District Public Prosecutor's Office last Wednesday began questioning Inamura, who was Environment Agency director general from 1986 to 1987, on suspicion of failing to declare some 2.8 billion yen in income from stock speculation, and searched his offices for evidence.

Judicial sources said Inamura will probably be indicted under the income tax law, but will not be detained.

Prosecutors suspect that Inamura joined Mitsuhiro Kotani, an accused stock market speculator, in buying up a large amount of shares of various companies. Kotani has been arrested and on trial on suspicion of manipulating stock prices.

Inamura is the third prominent politician to leave the LDP over money scandals in the past two years. Former Chief Cabinet Secretary Takao Fujinami, indicted in the Recruit Co.'s stock-for-favors scandal, quit in May last year. Shortly afterward, former Prime Minister Yasuhiro Nakasone, under whom Fujinami was the cabinet spokesman, also resigned from the party in connection with the Recruit case.

Sadao Yamahana, a Japan Socialist Party (JSP) official in charge of political reforms, said Wednesday that Inamura should quit the Diet. He urged the LDP to advise Inamura to resign as a lawmaker, saying the ruling party cannot escape responsibility in the affair.

Takenori Kanzaki of Komeito also demanded Inamura give up his seat in the lower house.

The Democratic Socialist Party's Kansei Nakano said the LDP should order Inamura out of the party for his part in the alleged stock-manipulation scandal.

Inamura's resignation from the LDP reduced the party's lower house strength to 282. He retained his Diet seat as an independent.

No Allocation for Okinawa's Ishigaki Airport

OW2412134190 Tokyo KYODO in English 1206 GMT 24 Dec 90

[Text] Tokyo, Dec. 24 KYODO—The Finance Ministry Monday withheld government funds for the construction of an airport on coral-rich Ishigaki Island in Okinawa Prefecture under the budget proposal for the new fiscal year.

The Transport Ministry requested 360 million yen to start the construction of the airport in fiscal 1991, but the Finance Ministry rejected the request, saying it will be impossible to start construction because the Okinawa Prefectural Government plans to reconsider the project.

Instead, the Finance Ministry allocated 9 million yen, out of airport development funds for Okinawa, as investigating costs for the project.

Environmentalists claim construction of a new airport would threaten the existence of the world's oldest blue coral reef located off Ishigaki Island, some 400 kilometers south of the main island of Okinawa.

Apart from environmental concerns, the Ishikagi Airport project has also been bogged down in controversies surrounding land acquisition at the proposed construction site.

Police in Okinawa are investigating a company in connection with an alleged speculative land deal involving the planned site of the airport.

Masahide Ota, who was elected governor of Okinawa last month, has called for a thorough investigation into the scandal and for conservation of the environment.

Report Says Radical Groups To Continue Violence

OW2312140090 Tokyo KYODO in English 1327 GMT 23 Dec 90

[Text] Tokyo, Dec. 23 KYODO—Radical groups are expected to continue with acts of violence during the coming year, the Public Security Investigation Agency warned in its annual report released Sunday.

Among radical groups, the report said the Chukakuha (Middle Core Faction) group was suspected of involvement in 122 of a total of 143 cases of violence between January 1 and December 20 this year, which caused three deaths and injured 17.

Acts of violence were especially prevalent during the emperor's enthronement and thanksgiving ceremonies in November, the report said.

The report also pointed out that the authorities could only suspect from public acknowledgements of responsibility which radical factions committed acts of violence because they had not actually managed to arrest a single radical activist.

The report warned of possible terrorism against the imperial system by the Chukakuha and the Revolutionary Workers Council targeting at imperial facilities if a schedule is set for Emperor Akihito's possible visit to South Korea, and at other major imperial events.

The report also expressed concern about security relating to Japan-North Korea talks on normalization of relations scheduled to start in late January.

North Korea has demanded Japanese compensation for both its 1910-45 colonial rule of the Korean peninsula and "losses" Pyongyang says Japan has inflicted on its people in the ensuing 45 years.

The Pyongyang-backed General Association of Korean Residents in Japan (Chongryun) is expected to step up pressure on the ruling Liberal Democratic Party (LDP) and the mass media to call for an end to public security authorities' investigations of the group under the subversion prevention law, the report pointed out.

The report said the group is training South Korean visitors to Japan and dissidents from the South to help their activities in Japan.

BOJ Chief Mieno Defends Tight Credit Policy

OW2612085890 Tokyo KYODO in English 0822 GMT 26 Dec 90

[Text] Tokyo, Dec. 26 KYODO—Bank of Japan (BOJ) Governor Yasushi Mieno said Wednesday the central bank will not alter its current tight monetary policy despite signs that higher interest rates are putting a damper on the current economic boom.

Speaking at a regular press conference, Mieno said there will be no change in the BOJ's monetary policy and that the central bank will continue to monitor the effects of the recent official discount rate increases on the economy.

"Though staying in a stable range, inflationary pressure from the tightening product and labor markets cannot be ignored," he said.

Mieno welcomed a slowdown in the nation's money supply growth to a year-on-year rise of 10.0 percent in November, the slowest rate of expansion since December last year. But he cautioned that the level is still too high given the Japanese economic reality.

Noting that the downturn is due to technical factors, Mieno expressed doubt that the money supply growth will decline precipitously in the months to come.

The central bank chief also said the expected fall in the long-term prime rate will not affect the BOJ's credit policy.

"The long-term prime rate is set on a short-term basis ... It is not appropriate to link monetary policy with movements in the long-term prime rate," he said.

Mieno said credit steering should be decided on the basis of a basket of economic fundamentals, such as the economy, the foreign- exchange rate, and internal and external factors.

For the third month in a row, Japan's three long-term credit banks are due to lower their long-term prime rate for their most credit worthy customers by 0.3 percent to 7.8 percent from early January.

Mieno also brushed aside the repeated promptings by government leaders for credit easing, saying that the central bank has received no official request from the government for such moves.

Out of fear that high interest rates may further hurt Japanese industry, Economic Planning Agency (EPA) chief Hideyuki Aizawa and other government officials have urged the BOJ to ease its tight grip on credit over the past few weeks.

Touching on the government forecast of a 3.8 percent real economic growth for fiscal 1991, Mieno said the figure does not necessarily mean deterioration of Japan's economic health.

"Rather, it means that economic expansion will shift to a stage where it will grow at a more stable speed from a phase of too rapid growth," he said. "The Japanese economy will achieve a stable expansion in the coming year, supported by strong corporate and consumer spending."

However, he said, slower economic growth will not lead to credit easing unless it helps stabilize prices at an appropriate level.

Asked about the recent credit easing in the U.S., Mieno said the move was cautiously taken in consideration of the realities of the U.S. economy.

But he said the 0.5 point cut in the U.S. official discount rate will not change the minds of the BOJ's monetary policy makers.

"Monetary policy moves in relation to various situations in each country," he said.

On reports that there might be a meeting early next year of top finance officials from the Group of Seven (G-7) industrialized nations, Mieno said he has heard of no plans for such a gathering.

Ministry Reports on 1991 General Account Budget

OW2112072690 Tokyo KYODO in English 0633 GMT 21 Dec 90

[Text] Tokyo, Dec. 21 KYODO—The Finance Ministry said Friday the fiscal 1991 general account budget will amount to 70.35 trillion yen, representing 6.3 percent growth over the original fiscal 1990 budget.

The ministry said general expenditures for the new fiscal year, starting in April, will come to more than 37.24 trillion yen, up 5.3 percent from fiscal 1990, the first rise to the 5 percent level since fiscal 1980, when 5.1 percent growth was registered.

The big increase came in line with Japan's pledge to boost its public works spending over the next decade, beginning in fiscal 1991, at the Structural Impediments Initiative (SII) talks with the United States.

The general account, the core of the Japanese budgetary system, encompasses expenditures related to basic national policy, such as social security, public works, defense, foreign aid, as well as tax grants to local governments and debt service costs.

The Finance Ministry is scheduled to compile a budget next Monday, which will be then subject to "restoration" bargaining before the government finalizes its fiscal 1991 budget plan next weekend.

The announcement came in the wake of a basic agreement between the Finance and Home Affairs Ministries over reduction of the local allocation of the national tax.

In an effort to curb total spending under the budget, the Finance Ministry has been asking the Home Affairs Ministry to cut its request for local tax grants by 750 billion yen on the ground that local governments are financially strong enough that they can make do with less from the central government.

The Home Affairs Ministry has resisted the request, but finally agreed on a 500 billion yen reduction, the first in nine years, apparently in consideration of the national government's severe fiscal situation.

On the revenue side, the Finance Ministry estimates the tax revenue at 61.8 trillion yen, a moderate 3.8 trillion yen increase over fiscal 1990, taking into account the expected slowdown of the Japanese economy.

To cover the substantial increase in general expenditures and slower growth in tax receipts, the Finance Ministry will issue construction bonds totaling 5.35 trillion yen, 250 billion yen less than fiscal 1990 but 150 billion yen more than the ministry's original target.

This amount will translate into the government's debt dependence of 7.6 percent, against 8.4 percent in fiscal 1990.

The ministry's five-year debt reduction plan calls for curbing debt dependence to 5 percent or less, but sluggish revenue forced it to miss the goal in the first year of the program.

Crude Oil Imports Increase From Previous Year

OW2512085290 Tokyo KYODO in English 0730 GMT 25 Dec 90

[Text] Tokyo, Dec. 25 KYODO—Japan's crude oil imports in November rose 9.6 percent from a year earlier to 129.45 million barrels, the Ministry of International Trade and Industry (MITI) reported Tuesday.

The increase resulted from declines in imports of oil products, like fuel oil, which prompted domestic production and thus boosted crude imports, MITI officials said.

Rising prices on overseas markets drove down imports of fuel oil by 27.1 percent to 18.83 million barrels.

Crude oil imports from the Middle East rose 5.7 percent to 95.25 million barrels, accounting for 73.6 percent of the total.

Imports from Iran vaulted 119.9 percent, while those from Saudi Arabia picked up 77.7 percent.

Domestic production of fuel oil climbed 10.2 percent to 103.02 million barrels.

Sales of fuel oil edged down 1.1 percent to 110.79 million barrels due to sluggish sales of kerosene because of warmer-than-usual winter weather.

Mongolia

Shevardnadze Resignation Announcement Assessed

OW2612121690 Ulaanbaatar International Service in English 0910 GMT 22 Dec 90

[From "The World Today" program]

[Text] The announcement by Eduard Shevardnadze on his resignation literally shook the ongoing Congress of People's Deputies of the USSR and as a matter of fact, also politicians and peoples around the world, including Mongolia.

What is behind this emotional statement by Shevardnadze, who is regarded one of the founders of perestroyka in the Soviet Union, and who introduced it to the outside world for several years now? One involuntarily asks: Did Gorbachev know about his foreign minister's intentions? According to some private political observers, Gorbachev did not only know, but also approved such an action by Eduard Shevardnadze.

There are many speculations around Shevardnadze's sudden announcement. One of the most weighty reasons is as follows: In order to introduce presidential rule Mikhail Gorbachev needs two thirds, or 1,681 votes, of

all the participants in the Congress of People's Deputies. So far preliminary results have shown that Gorbachev can hardly raise a few hundred votes.

Shevardnadze's resignation, which is urged by the right-wing politicians, will not only help Gorbachev [words indistinct] camp of the conservatives, but will also scare the left-wingers. This will also show that the time of the games is over and both the right- and left-wing (?lawmen) will do better to support the president. This is a big political game being played by the Soviet leaders, now when the future of the Soviet Union is at stake. Anyway, if Shevardnadze's request is to be complied remains to be seen, because according to the chief of the Soviet president's press service, Ignatenko, the president and the Supreme Soviet have the final say, and they have not given the verdict.

President Visits Nalayha Mine Disaster Site

OW2112072890 Ulaanbaatar MONTSAME in Russian 1430 GMT 19 Dec 90

[From the 19 December Mongolian press review]

[Text] Ulaanbaatar, 19 Dec (MONTSAME)—The newspaper UNEN reports that P. Ochirbat, president of the MPR [Mongolian People's Republic], visited the Nalayha coal mine, the scene of a serious production accident, and met and talked with the injured and relatives of the victims. The paper reports that as of 1700 yesterday evening it had been established that 18 people were killed by the explosion at the mine and one person was missing. A rescue team from the Soviet "Kemerovougol" association is taking part in the rescue operation. The paper reports that condolences and expressions of willingness to help the families of the victims in any way possible are being addressed to the bereaved from around the country.

Gorbachev Conveys Condolences

OW2412031590 Ulaanbaatar MONTSAME in Russian 1508 GMT 19 Dec 90

[Text] Ulaanbaatar, 19 Dec (MONTSAME)—V.I. Sitnikov, USSR ambassador to the MPR, today conveyed a condolence telegram from the Soviet President to P. Ochirbat, president of the MPR. It expresses M.S. Gorbachev's condolences in connection with the accident at the Nalayha Kapitalnaya coal mine near the capital, which resulted in the loss of human lives. The Soviet President asked that his grief and profound sympathy be conveyed to the families of those killed.

President Thanks Gorbachev

OW2412031690 Ulaanbaatar MONTSAME in Russian 1448 GMT 20 Dec 90

[Text] Ulaanbaatar, 20 Dec (MONTSAME)—Punsalmaagiyn Ochirbat, president of the MPR, has sent a telegram to M.S. Gorbachev, president of the USSR, in which he expressed deep gratitude for condolences conveyed by the Soviet leader in connection with the accident at the Nalayha mine which resulted in the loss of human lives.

"Your sorrow and sympathy will be conveyed to the families of those lost [passage indistinct] the telegram says.

MPR-USSR Friendship Association Reviews Tasks

OW2412085290 Ulaanbaatar MONTSAME in Russian 1506 GMT 19 Dec 90

[Text] Ulaanbaatar, 19 Dec (MONTSAME)—(?The tasks) and problems that have arisen before the Mongolian-Soviet Friendship Association (MSFA) under conditions of democracy, pluralism, and a multiparty system are at the center of attention of participants in the extraordinary congress of the MSFA which began its work today at the House of Soviet Science and Culture.

T. Balhaajab, first deputy chairman of the MSFA Central Council, delivered a report "On Tasks for Renewal of the MSFA." In his speech he noted that during the 43 years of its existence the friendship association made a considerable contribution to the cause of strengthening friendship and developing cooperation between the Mongolian and Soviet people. However with changes in the political conditions in our countries, with expansion and deepening of restructuring and renewal processes, there is a natural need to reevaluate the association's activities and search for new forms, moreover since signs of formalism, doing things for appearances sake, and cliquishness have appeared in its work in recent years.

Just criticism of the methods and forms of the association's work was expressed by delegates in their speeches. However, at the same time they noted that it was impermissible to (?go) from one extreme to the other and attempt to vilify the nature of the Soviet Union, as was being done by new parties and movements. The delegates consider that the main concern today is to direct the association's activities into practical steps.

The congress is continuing its work. The next day's agenda includes discussion of a new charter and the election new MSFA board members.

Chairman Elected

OW2412075290 Ulaanbaatar MONTSAME in Russian 1503 GMT 20 Dec 90

[Text] Ulaanbaatar, 20 Dec (MONTSAME)—The extraordinary congress of the Mongolian-Soviet Friendship Association [MSFA] concluded its work today. It discussed questions of perfecting the activities of this organization in new political conditions. As was noted by the newly (?elected) chairman of the MSFA Central Council (?Pilot-Cosmonaut) J. Gurragchaa, despite differing views and positions the friendship between our peoples remains the same. That is why we ought to use every opportunity and effort to bring to the attention of

the MPR [Mongolian People's Republic] people [words indistinct] relations between our countries. An important role in this task will be played by the implementation of congress decisions [words indistinct] particularly important are the activity and initiative of primary organizations [passage indistinct] 55 people.

The delegates unanimously approved a decision to allocate 500,000 tugriks in aid to the Soviet people from the association's funds.

Democratic Party Staff Renounces Commission

OW2512062390 Ulaanbaatar International Service in English 0910 GMT 22 Dec 90

[Text] The entire staff of the Political Consultative Center of the Mongolian Democratic Party headed by (Batchuul) has renounced their commission until the formation of a new party leadership, which is expected to be elected at the forthcoming extraordinary congress of the party planned for early next year.

The statement issued by the party's Consultative Center to this effect says that this move is designed at holding election of the party leadership through competition as was agreed upon earlier at the party conferences. Currently, the party is led by a 12-member Congress Preparatory Commission headed by (Batchuul), which includes three ordinary members who were not included in the party leadership before.

Tax Service Established in Finance Ministry

OW2512063490 Ulaanbaatar International Service in English 0910 GMT 22 Dec 90

[Text] The Mongolian Government has set up a tax service, the central body of which will be included in the Ministry of Finance. Formation of budget revenues of the state, control on the fulfillment of tax and other laws related to financial matters are the basic tasks of the new center. Its chief is Mr. Purebdorj, who is also the first deputy minister of finance of Mongolia.

North Korea

No Tae-u's Visit to Moscow Denounced

SK2512005890 Pyongyang Domestic Service in Korean 2107 GMT 24 Dec 90

[NODONG SINMUN 25 December commentary: "Antireunification and Antipeace Junket Reveals True Color"]

[Text] No Tae-u made a junket to the Soviet Union some time ago.

As we have already predicted, his junket has been a flunkeyist and traitorous junket against reunification, peace, and the Republic. No Tae-u clamorously raved that his junket to the Soviet Union will create an occasion for peace and reunification on the Korean peninsula and begin a new era for reconciliation and cooperation in the Asia and Pacific region.

However, contrary to his advertisement for peace and reconciliation, his junket has been a bad act of criminal conspiracy, which aggravates the confrontation and tension on the Korean peninsula and checks peaceful reunification.

Saying that he asked the Soviet side to influence the North toward openness, No Tae-u babbled presumptuous words that his Moscow junket will be a stepping-stone to visiting Pyongyang. If No Tae-u intends to visit Pyongyang, he should come through Panmunjom. Why on earth did he say that he will visit Pyongyang though Moscow?

A South Korean radio station interpreted No Tae-u's words as words made in an attempt to change North Korea by using a lever called the Soviet Union. After all, it is clear that No Tae-u's junket to the Soviet Union was designed to create a way for reunification by combining the North with the Soviet Union's help, as directed by the United States.

If Korean reunification is to be realized, sharp political and military confrontation between the North and the South should, above all, be removed, and a reliable guarantee for peace should be secured.

The hard-won high-level talks between the North and the South is a negotiation that gives the opportunity to achieve Korean peace and reunification. The Korean people, as well as the peace-loving people of the world, ardently hope that a breakthrough will be made in the peaceful settlement of the Korean issue, by results in the talks.

We have proposed that a North-South nonaggression declaration be adopted, and have made all sincere efforts to realize this, as a practical measure in the North-South High-Level Talks, and because it is valuable for the creation of a favorable phase for peace and reunification in the talks.

At the third round of the North-South High-Level Talks, our side epochally put forward a new proposal for a declaration for North- South nonaggression, reconciliation, and cooperation, fully representing the claim of the South side. The South side, however, put forward some unreasonable arguments and other arguments, constantly avoiding the adoption of our proposal.

The South side did not show sincerity at the talks, and put a brake on the progress of the talks. Furthermore, the South side insanely launched every move against us outside the talks.

The South side mobilized all pro-government propaganda means, ruthlessly humiliated our socialist system; loudly clamored that one should not be deceived by communism; and committed contemptible activities to obstruct by any means performances of the Pyongyang

National Music Troupe, which participated in the traditional concert for reunification to see out the year 1990.

While the third round of the North-South High-Level Talks were being held, No Tae-u presumptuously made a junket to the Soviet Union, even taking a South side delegate who should have come to the talks, as if No himself, the so-called top-level authority in South Korea, had no interest in the talks. This graphically showed that he has absolutely no intention to settle the issue of reunification through dialogue between the North and the South.

The fact that he tries to depend on diplomacy by begging and on outside forces for the basic issue of peace and reunification, which should be negotiated and settled between fellow countrymen, cannot but be interpreted as a flunkeyist and traitorous act of turning away from fellow countrymen and an act of aggravation and confrontation between the North and the South.

The indiscreet activities of the South Korean individuals in authority, of trying to achieve reunification by prevailing over communism and merging the North, will clearly throw a wet blanket on North-South High-Level Talks and will lead North-South relations into new confrontations and aggravated tension.

It is no accident that the foreign news reported that No Tae-u's junket to the Soviet Union this time will further aggravate the tension on the Korean peninsula by inciting the North and by putting distance between the North and the South.

No Tae-u, who has not even solved his own problems, has turned away from the question of reunification, which is the urgent desire of the nation, and has talked about the question of peace and cooperation in the Asia and Pacific region in his junket to the Soviet Union, while clinging to the coattails of foreign forces. We cannot understand his act at all. Still worse, his act is presumptuous.

It is evident that without settlement of the question of Korea, achieving peace and stability in the Asia and Pacific region is inconceivable.

How on earth can he pretend to talk about the question of peace and reunification in this region, while having no intention of settling the question of peacefully reunifying Korea through dialogue and negotiations between the Korean people, and while aggravating confrontation and tension in the situation on the Korean peninsula by clinging to the coattails of foreign forces? The South side says that the U.S. forces and nuclear weapons, that is, the root of war, will remain in South Korea, and that aggravating acts, including the Team Spirit joint exercise, will be constantly conducted. Thus, talking about peace and alleviating tension is nothing but a clumsy deception attempting to conceal his antireunfication and antipeace color.

No Tae-u showed off in the Soviet Union as if he intended to give great economic benefit to the Soviet Union. This also ended in nothing but empty words.

According to reports the person in authority in South Korea did not give the Soviet Union the money promised in return for the establishment of diplomatic relations between the Soviet Union and South Korea. And it is said that he is now delaying in giving the money.

Actually, South Korea is not in the position to give such money. Still worse, the United States, which should support South Korea, is now in an economic recession. Thus, the United States is not in a position to provide South Korea with such money. Even South Korean newspapers and radio reported that the South Korean economy is not in a position to help the aggravated Soviet economy.

To see the nation brought together by reunifying with the brethren in the North at an early date, the movement for reunification is now more vigorously advanced in South Korea than ever before. The attempt to turn away from the same fellow country, while running counter to nationwide trends which cannot be obstructed, and the attempt to realize reunification by prevailing over communism with the help of foreign forces are foolish acts.

All preceding South Korean rulers have been ruined by being engaged in such a farce. If the present ruler follows their path, he will never avoid self-destruction.

Our Republic has been consolidated as a bulwark of socialism; the leader, the party, and the masses have been single-heartedly united. This cannot be broken by any force.

We will further bring into bloom our own style of socialism, which has been firmly rooted in this land, while smashing antisocialist offensives and anti-Republic moves of the enemies at every step, under the banner of the chuche idea. In addition, we will achieve the cause for independent peace and reunification of the country without fail, with the united forces of the entire nation.

Romanian Daily Assails No Tae-u's Soviet Visit

SK2212035490 Pyongyang Domestic Service in Korean 2200 GMT 19 Dec 90

[Text] In its 14 December edition, the Romanian paper TINERETUL LIBER carried a commentary entitled: Is No Tae-u's Soviet Visit Not Aimed at Relations of Tripartite Collusion?

The commentary quoted a NODONG SINMUN commentary which said that there was nothing surprising or strange about the recent visit to the Soviet Union by No Tae-u who had even gone to the United States across the ocean for a meeting with the person in highest authority in the Soviet Union even when there were no diplomatic relations between the Soviet Union and South Korea.

Quoting a NODONG SINMUN commentary, the daily said that one of the objectives No Tae-u sought to achieve during his junket to the Soviet Union was to realize South Korea's unilateral admission into the United Nations at any cost by winning support from the Soviet Union.

After exposing this, the daily wrote that the persons in authority in South Korea are about to accelerate the forging of relations of tripartite collusion among the United States, the Soviet Union, and South Korea against the DPRK.

NODONG SINMUN Views South's UN Plan

SK2512070990 Pyongyang KCNA in English 0505 GMT 25 Dec 90

["Act Casting Gloom on Prospect of Reunification"—KCNA headline]

[Text] Pyongyang December 25 (KCNA)—The South Korean puppet foreign minister at "a news briefing" on December 21 blared that a "memoradum" explaining the "justness" of South Korea's "entry into the United Nations" next year had been submitted to the U.N. Security Council and it would be distributed as an "official document".

Commenting on this, NODONG SINMUN today brands the puppets' persistent attempt at "separate entry into the U.N." as an unpardonable criminal act challenging the nation's desire for reunification and casting a gloom on the prospect of national reunification and as a crafty ruse to legalize the permanent division of Korea in the name of the United Nations.

The news analyst says:

The colonial puppets who are not qualified for U.N. membership are seeking "entry into it." This is nothing but desperate efforts to legalize the division of the country into "two Koreas" and act as "a legitimate independent state" by abusing the usage that a U.N. member is recognized as an independent state.

Though the puppets described their "unilateral U.N. membership" as a way of "promoting the reunification process," it is only a sophism to conceal their splittist nature. To divide a historically homogeneous nation into two states would impose greater sufferings upon our people who aspire after reunification.

It is preposterous to insist on entering the United Nations in the state of division, giving up reunification, at a time when the whole nation has turned out in the struggle to reunify the country in the 90's and, moreover North-South High-Level Talks are under way to resolve the problem of peace and reunification of the country.

The question of Korea's U.N. membership must be resolved in the common interests of the nation on the basis of a nationwide accord, an agreement of the North and the South, under all circumstances.

The Korean people will never tolerate the "two Koreas" plot of the U.S. imperialists and the South Korean puppets.

NODONG SINMUN on No's Envoy to Japan

SK2512070390 Pyongyang KCNA in English 0500 GMT 25 Dec 90

["Obtrusive Act of Colonial Stooge"—KCNA headline]

[Text] Pyongyang December 25 (KCNA)—The traitor No Tae-u recently sent a "special envoy" to Japan to request the Japanese Government to "promote" talks for the normalization of Korea-Japan relations, depending on the "progress of North-South dialogue".

Such act of the puppets is a criminal act to drive a wedge between the DPRK and Japan, put a brake on the normalization of Korea-Japan relations and, further, inveigle even Japan into their moves for North-South confrontation and division, says NODONG SINMUN today.

The normalization of Korea-Japan relations is an issue which should be solved between the DPRK and Japan, independent sovereign states, and the South Korean puppets who are mere colonial stooges of imperialists are not entitled to poke their nose into this issue, the news analyst says, and continues:

The puppets who have desperately obstructed the progress of North-South dialogue are now entreating Japan to go ahead with talks for the normalization of Korea-Japan relations, depending on its progress. It is clear to everyone what they mean. They are entreating the Japanese Government to join them in their divisive moves, hinting that they will reject both North-South dialogue and national reunification.

To establish diplomatic relations between the DPRK and Japan accords with the interests of the two peoples and it is favourable to the reunification of the Korean peninsula and the cause of peace in Asia and the rest of the world.

The South Korean puppets must know that their entreaty diplomacy for putting a brake on the talks for the normalization of Korea-Japan relations will result only in bringing their divisive and flunkeyist nature into a bolder relief and throwing themselves on the rubbish heap of history, the news analyst stresses.

South Korean Defects Through Third Country

SK2512121790 Pyongyang Domestic Service in Korean 0900 GMT 25 Dec 90

[Text] Compatriot Kim Kyong-yong, who was a director of the sales office of the business department of Sinchang Pharmaceutical Company, in Seoul, South Korea, recently defected to the northern part of the Republic. Appropriate functionaries gave him a bouquet of flowers and welcomed him with fraternal love.

His home town is in Yoncho-myon, Kojae County, South Kyongsang Province. He graduated from Poin Commercial High School in Seoul and served as a puppet soldier for three years and then was hired at Seoul's Sinchang Pharmaceutical Company. For two years he was working as a director of the sales office of this company's business department.

Compatriot Kim Kyong-yong, when asked by a reporter about his motive for defection, said: I was displeased with the unreasonable social system of the South which ruthlessly tramples man's fundamental freedom and rights. I was especially disillusioned about the South's political system, which is deceitful, by Kim Yong-sam, who was blind for power and abused the people's confidence in one day by playing the game of merging the three parties. At that time I was the (?vice chairman) of the Kwangmyong City's chapter of the then Reunification Democratic Party.

On the other hand, from the time I began to have an understanding of the North's true socialism where there is no gulf between the rich and poor and where there is no worry or concern about the necessities of life, I did not want to become a victim of the South's society, which has become corrupt.

Through the movement of learning more about the North which is being actively spread throughout the South, I further had a firm conviction that the North is a socialist society where the people's freedom and rights are thoroughly guaranteed and where all people live equally well.

Therefore, I began to yearn for the North's society and finally decided to defect to the North, thus resolutely fulfilling my plan through a third country.

He said that he was satisfied with the realization of his defection to the North where the nation's spirit is alive and its dignity bright. He expressed his determination to devote his one life for the cause of the reunification of the fatherland.

Team Spirit 'Incompatible' With N-S Talks

SK2612055390 Pyongyang KCNA in English 0445 GMT 26 Dec 90

["Dark Clouds Over Prospect of North-South Dialogue"—KCNA Headline]

[Text] Pyongyang December 26 (KCNA)—The U.S. imperialists and the South Korean puppets plan to stage the "Team Spirit" joint military exercises next year, too, and No Tae-u "inspected" puppet army and U.S. Army units in the western sector of the front on December 22, inciting a war fever against the North.

This is the topic of a NODONG SINMUN commentary today which says this behavior of the U.S. imperialists and the puppets suggests that they intend to continue rushing headlong along the road of aggravation of the tensions and a war against the North on the Korean peninsula next year, too, and this cannot but be regarded as a grave issue.

The news analyst goes on:

The puppets' plan to stage another round of the "Team Spirit" war gamble together with the U.S. imperialists in the new year is a downright challenge to our nation which wants peace and peaceful reunification of the Korean peninsula and a grave criminal act of casting a gloom on the North-South dialogue.

It is ridiculous of the puppets to advertise a "30 percent scaling down" of the "Team Spirit," describing it as a step taken "in consideration of" the ongoing inter-Korean high-level talks and so on.

This is, in fact, a clumsy subterfuge and sophism.

The U.S. imperialists and the puppets hurled more than 198,000 troops in the "Team Spirit" last year after spreading the rumor that the scale of the joint manoeuvres would be "drastically slashed." Their advertisement of "scaling down" is a deception.

War exercises are incompatible with North-South dialogue.

If the U.S. imperialists and the South Korean puppets are really interested in the North-South dialogue, they must stop the "Team Spirit" war gamble as demanded by us.

Pyongyang Radio Denounces Team Spirit Exercises

SK2512102290 Pyongyang Domestic Service in Korean 0025 GMT 23 Dec 90

[NODONG SINMUN 23 December commentary: "A Thief Feels a Cramp in His Foot"]

[Text] Recently, the South Korean vice minister of the Board of Unification addressed a special committee for forming reunification policy in the National Assembly. He said that it is difficult to say whether the fourth round of North-South High-Level Talks, slated for 25-28 February in 1991, will be held or not, because this coincides with the Team Spirit joint military exercise. This is because we will not come to the talks in protest of the exercise.

It is noteworthy that he recognized that the Team Spirit joint military exercise may stop the North-South dialogue. However, he tried to shift the responsibility onto us, if the talks are not held as scheduled, while talking about the prospect of the fourth round of the North-South High-Level Talks. This action is very bad. His babble is the move of one who feels a cramp in his feet; like a thief calling another a thief.

As is evident to everyone, dialogue and war exercises can never be compatible. What is worse, the Team Spirit joint military exercise, which has been conducted in

South Korea every year, is not only an aggressive preliminary maneuver for invading the northern half of the Republic, but it is also a very dangerous nuclear exercise for subjecting our nation to the holocaust of a nuclear war.

Whenever the Team Spirit war exercise has been conducted, the situation on the Korean peninsula has been driven to the brink of war. Accordingly, the grave consequence of temporarily suspending the North-South dialogue has occurred.

The South Korean puppets opened fire with the U.S. imperialist aggressors in a bid to conquer the dialogue partner by force, and to run amok by mobilizing nuclear weapons. Therefore, how on earth can the North-South dialogue be held under such circumstances? The North-South High-Level Talks to be held next year are not an exception.

Proceeding from the desire to make epochal progress in the North-South High-Level Talks and in settling peace and reunification issues, we have more than once requested that the South Korean authorities stop the war exercise.

At the first round of the North-South High-Level Talks, in considering it important to remove the political and military confrontation, we proposed that the Team Spirit joint military exercise issue be urgently settled. We requested that the South side stop the Team Spirit war exercise even temporarily for two or three years. In addition, we proposed that if the South cannot settle this by itself, that both sides send a letter to the U.S. Government urging an end to the Team Spirit joint military exercise. This shows our sincere stand on the North-South High-Level Talks as valuable and promoting success.

The South Korean authorities, however, ignored our just demand, and plotted a military conspiracy with the U.S. imperialist masters, thus openly announcing that the Team Spirit war exercise will be constantly conducted next year.

Such an act of the puppets is a premeditated criminal act, which practically entirely opposes the North-South talks. It is evident who is throwing a wet blanket on the prospect of the fourth round of the North-South High-Level Talks. It is very foolish for the No Tae-u ring to try to conduct the Team Spirit war exercise and to avoid the responsibility for the suspension of dialogue, which happen.

If the South Korean authorities genuinely want the high-level talks, they should stop the Team Spirit war exercise, which endangers the holding of the talks.

Whether the fourth round of the North-South High-Level Talks will be smooth or difficult once again entirely depend on the South's attitude.

If the South Korean ruling quarters tenaciously conduct the Team Spirit war exercise next year with the U.S. imperialist aggression troops, they will never avoid facing stern denunciation at home and abroad.

U.S. Plan for Free Trade Zone Assailed

SK2112124790 Pyongyang Domestic Service in Korean 1150 GMT 18 Dec 90

[Station commentary by Kim Ho-sam: "The Plan to Establish a Free Trade Zone in North America Is Aimed at Expanding the U.S. Imperialists' Influence Sphere]

[Text] According to materials of a U.S. paper, "GUARDIANS," in a letter sent to the U.S. Congress some time ago, U.S. President Bush put forward specific plans in connection with establishment of a free trade zone covering the United States, Canada, and Mexico.

According to these plans, the United States, Canada, and Mexico will constitute an economic sphere, and within this framework, trade in this region will be further developed and economic cooperation will be strengthened among these nations.

Reports say that the amount of total industrial and agricultural output from this trade zone will reach $5.8 trillion.

Bush's plan to establish a free trade zone is a criminal scheme to expand the U.S. imperialists' economic invasion into the whole area of the North American continent. The plan put forward by rascal Bush is nothing new. It has been prepared from a long time ago.

Custom duties between the United States and Canada were lifted a long time ago and Mexico already reduced customs on goods imported from the United States to 90 percent.

As a result, the U.S. goods and capital are being introduced to Canada and Mexico on a large-scale, and the economies of these two countries have become more dependent on multinational U.S. enterprises.

The U.S. share in the total amount of Mexico's imports last year was 65 percent, reaching $26.6 billion. At present, there are about 1,500 plants, which import materials and parts from the United States and assemble them after processing, in Mexico's border areas adjoining the United States.

It was reported that 70 percent of the television sets sold in the United States last year was assembled in and imported from Mexico. The plan advanced by Bush this time proceeded from the intention to more rapidly accomplish the process of such economic unity.

Then, why is Bush trying to rapidly accomplish the establishment of the North American free trade zone? There are two reasons for this. One is related to the economic and political crisis facing the United States.

As is known to all, the United States is today suffering a serious economic crisis. In recent years, the United

States showed a certain degree of economic growth. However, from the second half of last year, the U.S. economy showed a drastic decline. With the beginning of this year, the economic stagnation has been accelerated.

The U.S. economic growth rate during the first-quarter of the year was 1.4 percent and in the second-quarter period, it was lowered to 0.4 percent. Even during the third and fourth quarters, the economy has not been (?improved).

Furthermore, the U.S. economy is suffering a blow due to the Gulf crisis. According to the oil price which increased with the Gulf crisis, the production cost and price of goods have increased. As the result, products are piled up in plants and production has halted. In addition, workers were dismissed from enterprises on a large scale and plants were shut down.

The number of plants and enterprises that were shut down in the United States during the last 9 months is no less than 43,800. The per-barrel crude oil price went up and down at around from 25 to 26 dollars before the Gulf crisis. However, the world's oil experts predict that if the Gulf crisis is aggravated and the state of crisis persists, the per-barrel price of oil will go up to even $50.

If this situation becomes reality, the U.S. economy will suffer a more serious blow.

Next, Bush is also faced with political difficulties. During his election campaign, Bush ensured that he would not increase the taxes of the electorate after he is elected president. However, when the U.S. Congress was debating the budget, Bush agreed to increase taxes in an effort to reduce the huge amount of the financial deficit.

This means the violation of his election pledge. Therefore, a great number of Americans express doubt as to the leadership ability of President Bush. This also caused the people's to doubt Bush's ability to win in the presidential election to be conducted year after next.

The Gulf crisis has emerged as a troublesome question which is driving Bush into a dilemma. If the United States launches an armed attack on Iraq, it will be forced to suffer tens of thousands of victims and to use funds amounting to tens of millions of dollars. In addition, if the Gulf crisis is prolonged, the United States is in the position of having to use 10 million dollars each day to maintain its troops dispatched to the Middle East areas. This will burden the U.S. economy further.

Prompted by the intention of overcoming this situation, Bush is attempting to subjugate Mexico and Canada, which are geographically close to it, which have rich underground resources including crude oil and which are promising markets for its goods, to the United States, and to form an economic bloc—a stabilized free trade zone led by U.S. dollars.

Another reason for Bush's attempt to rapidly establish a North American free trade zone is related to the current trend of world economic development.

Viewing today's economic situation of the world, it shows a trend of multiplicity. In other words, a number of regional economic blocs are appearing. In Europe, 12 countries from the European Community [EC] will form a single common market beginning in 1992. Based on this, these countries will circulate their goods according to a monolithic price regardless of their national boundaries.

The main reason for doing this by members of the EC is to prevent U.S. and Japanese products from swarming into the EC's markets according to changes in the political situation of the world and to maintain their superiority in competition of goods so that more interests are obtained.

Thus, the EC will further increase customs duties on the U.S. and Japanese goods in the future and will strengthen their protectionist policy.

Such a move has been powerfully shown in the Asian-Pacific region. Last year Australia proposed formation of an Asian-Pacific economic cooperation group in the Asian-Pacific region. The proposal anticipates that Australia, New Zealand, Japan, South Korea, and six countries belonging to the ASEAN, namely Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand—will be included in this group.

In addition, an active move to form a trade bloc appeared in East Asia. Foreign news reports that when economic blocs are formed in Europe and the North American continent, a yen-bloc will be formed in East Asia in the future.

Bush is trying to firmly ensure U.S. supremacy in economic competition among the imperialist big powers by forming a U.S.-dominated free trade zone on the North American continent in an attempt to cope with the trend of localization of the world economy.

Another purpose Bush is pursuing is to block the advance of each nation on the American continent along the road of anti-imperialism for independence by checking and frustrating the independence-pursuing aspirations and unity which have been rapidly enhanced in this region.

However, Bush's plan to form a North American free trade zone will not be realized easily. Today the Latin American countries, having set up a goal to form a Latin American common market by 1992, are waging a powerful competition with the United States. Therefore, Bush's plan to form a North American free trade zone, even if it is realized, will face again deadlock.

U.S. 'Trade Pressure' on South Viewed

SK2612105690 Pyongyang KCNA in English 1031 GMT 26 Dec 90

[Text] Pyongyang December 26 (KCNA)—No Tae-u received a "personal letter" from Bush concerning the "trade issue" on December 24, according to a radio report from Seoul.

The letter urges him to take an "active" part in "establishing a world free trade order" under the "agreement" reached in June and "take care that there may be no snag in resolving pending issues" between South Korea and the United States.

This means that the U.S. imperialists force him to actively cooperate in establishing their domination over the world economy and totally open the South Korean markets.

Crying in distress that "U.S. trade pressure is increasing", the No Tae-u ruling quarters, threatened by Bush, hurriedly called a meeting that day, at which they decided to drastically cut cigarette and wine duties and move up the date of market-opening to agricultural and livestock products as they had promised the U.S. imerialists at the last South Korea-U.S. "trade meeting".

This itself exposes that the No Tae-u ruling quarters are a group of traitors who do not hesitate to sell the nation and the country if it is demanded by the U.S. imperialists, their master.

The U.S. imperialists are forcing the puppets to fully open the communications market and insurance and other service markets.

This is the brigandish method of the U.S. imperialists by which they put stronger economic pressure on the puppets when they are submissive and thus bind them hand and foot and harshly exploit and plunder the South Korean people.

Pyongyang Reports Shevardnadze's Resignation

SK2612061390 Pyongyang Domestic Service in Korean 1200 GMT 25 Dec 90

[Text] According to TASS, Soviet Foreign Minister Eduard Shevardnadze, at the Fourth Congress of the Soviet People's Deputies on 20 December, expressed his intention to resign. He referred to the criticisms directed at his activities and the Foreign Ministry by Soviet publications, the National Assembly, and the Congress of the People's Deputies and said that this was shocking to him and made him even more unbearable. Meanwhile, (?Churkin), a spokesman for the Soviet Foreign Ministry, in a news briefing session on 20 December, said that the Soviet Foreign Minister's decision to resign is final and that Eduard Shevardnadze will continue to serve as foreign minister until a presidential decree is announced on this matter.

Soviet Political, Economic Difficulties Cited

SK2412135290 Pyongyang Domestic Service in Korean 1200 GMT 20 Dec 90

[Text] According to a TASS report, on 17 December in a report delivered at the Fourth Congress of the People's Deputies, Soviet President Mikhail Gorbachev referred to the internal situation. Indicating that the situation in the country today is very grave, he said: The economic, social, and political crisis is still being aggravated, particularly in the relationships among ethnic groups. Stability and order have been destroyed, and every man, household, labor group, and the entire country feels this crisis.

He indicated: Soviet society has been pervaded with serious unrest today and for the future. Under such a sitution, the people's dissatisfaction with central, republic, and regional organs of power and with the attitude of the executive organs of power at all levels is being aggravated. Such questions have been asked more frequently as: Was the adoption of our perestroyka line correct; Are the direction and goal that we have chosen correct; and: Have we entered a wrong road? People are going to explain the cause of these developments and to reveal the essential cause. All of this is a very serious problem. We are, in fact, in a crisis.

After saying that, in fact, we are faced with a crisis now, he continued: Our country's leadership has committed grave errors and mistakes in the course of perestroyka. We have underestimated the depth of the crisis that our society is undergoing. There have been thoughtless and hasty judgments in carrying out our economic and political reforms.

He disclosed that republics and other ethnic and territorial groups had recently announced changes in their legal status. Because of this, the (?new) Soviet Constitution is being disregarded. He said that various phenomena, including discord among ethnic groups and a separatist tendency, have created acute confrontation, an aggravation in people's livelihood and stability, and other tragic incidents in a series of regions, particularly in the [name indistinct] region, republics along the Baltic Sea, Uzbek Republic, and the Moldavian Republic.

In referring to the country's economic situation, he said: The problem the country now faces is not merely commodity shortages. It is the aftermath created by chaos, the lack of control, and the criminal irresponsibility for the people's lives. It is also the afthermath created by the unprecedented bankruptcy in the delivery of commodities among republics and among oblasts, the severance of economic ties among republic and among oblasts, and the bankruptcy of normal relations between urban area and rural area. The cities now in the the worst situation are Moscow, Leningrad, Sverdlovsk, Chelyabinsk, Kemerovo, Khabarovsk, and other industrial cities.

In saying that high commodity prices will greatly influence the people's standard of living, he indicated that price hikes have already become a reality and that all people are now suffering from them.

In referring to the measures to surmount the country's crisis, the president stressed that the prevailing emergency calls for a very stern act.

Economic Delegation Leaves for Soviet Republic

SK2512011790 Pyongyang KCNA in English
2206 GMT 24 Dec 90

[Text] Pyongyang December 24 (KCNA)—A governnment delegation of the DPRK headed by Chong Songnam, minister of external economic affairs, left here today for the Russian Soviet Federative Socialist Republic.

It was seen off at the airport by Kim Chong-u, vice-minister of external economic affairs, and Boris Morozov, charge affaires ad-interim of the Soviet Embassy here.

WPK Group Meets Thai Deputy Prime Minister

SK2412110790 Pyongyang Domestic Service
in Korean 1300 GMT 21 Dec 90

[Text] On 19 December, upon the prime minister's authorization, Bun-ua [as heard], Thailand's first deputy prime minister and vice party head of Thailand's National Party, met with the Workers' Party of Korea [WPK] delegation led by So Kwan-hui, secretary of the WPK's Central Committee.

At the meeting, the delegation head asked the first deputy prime minister to deliver greetings to Thailand's prime minister from the great leader Comrade Kim Il-song and dear Comrade Kim Chong-il.

The first deputy prime minister expressed deep gratitude for this and asked the delegation head to deliver the prime minister's greetings to the great leader Comrade Kim Il-song and dear Comrade Kim Chong-il.

At the meeting, talks were held amid a friendly atmosphere.

WPK Delegation Departs Thailand

SK2412114490 Pyongyang Domestic Service
in Korean 1300 GMT 21 Dec 90

[Text] On 20 December, the Workers' Party of Korea delegation led by So Kwan-hui, secretary of the WPK Central Committee, left Thailand.

(Trilong Suwatini), vice secretary general of Thailand's Democrat Party, and other relevant functionaries bid the delegation farewell at the airport.

The representative and members of our country's trade mission in Thailand were on hand at the airport.

On 18 December, the head of the delegation met with Narong Wongwan, head of Thailand's United Democratic Party [Solidarity Party] and minister of Agriculture and Cooperatives, and held talks. On that day, the delegation held talks with a delegation from Thailand's Social Action Party.

Electronics Cooperation Protocol Signed With Cuba

SK2312083490 Pyongyang KCNA in English
0802 GMT 23 Dec 90

[Text] Havana December 21 (KCNA)—A protocol on cooperation between the Commission of Electronics and Automation Industry of the Democratic People's Republic of Korea and the National Committee of Automation System and Computer Technology of Cuba was signed in Havana.

It was signed by Pak Yong-do, vice-chairman of the Commission of Electronics and Automation Industry of the DPRK, and Hector Casals Simpsion, vice-chairman of the National Committee of Automatic System and Computer Technology of Cuba.

Peruvian Party Leader Meets WPK Delegation

SK2112115790 Pyongyang KCNA in English
1008 GMT 21 Dec 90

[Text] Pyongyang December 21 (KCNA)—Alfredo Filomeno, general secretary of the Revolutionary Socialist Party of Peru, when he met with a delegation of the Workers' Party of Korea [WPK] on December 13, emphasized:

The celebrations of the 45th founding anniversary of the Workers' Party of Korea in October last gave great confidence and courage to the world's progressive parties and people that aspire to socialism. There is no country like Korea where the leader, the party and the masses are firmly united as one and socialism is being built by firmly relying on its guiding ideology and the strength of its people.

Korea is a great country which has opened a new history of socialist construction with the might of singlehearted unity under the wise guidance of the party and the leader and thus demonstrated the might of unity to the third world countries and revolutionary peoples through its practical example.

KCNA Reviews Newspapers for 26 December

SK2612054890 Pyongyang KCNA in English
0457 GMT 26 Dec 90

[Text] Pyongyang December 26 (KCNA)—Papers here today give frontpage prominence to an account of an enlarged plenary meeting of the South Pyongan Provincial Committee of the Workers' Party of Korea held under the guidance of the great leader Comrade Kim Il-song on December 24 and 25.

The enlarged plenary meeting discussed the question of further developing the national economy in South Pyongan Province.

Carried in the press is a message of greetings sent by Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president

of the Democratic People's Republic of Korea, to Gnassingbe Eyadema, chairman-founder of the Togolese People's Rally and president of the Republic of Togo, on his 55th birthday.

According to NODONG SINMUN, South Korean people are speaking highly of the leadership exploits of dear Comrade Kim Chong-il.

Conveyed in MINJU CHOSON are voices of world public lauding Comrade Kim Chong-il as the great lodestar.

Echoed in NODONG SINMUN are repercussions upon party members and working people in different areas of the country of the reply letter of Comrade Kim Chong-il to the party members of the second cell of department No. 5 of the Korean Central News Agency.

The paper devotes much space to an article titled "Enhancing the Function and Role of the People's Power under the Guidance of the Party is Important Guarantee for Victory of the Cause of Socialism."

Econews of the press includes reports that the Undok Bridge was built across the River Chonbang in Taechon County, North Pyongan Province, some 180 industrial establishments in South Hamgyong Province have fulfilled their yearly assignments ahead of schedule, hydropower stations throughout the country overfulfilled this year's power production plan by 3 percent.

The press gives an account of a national symposium on educational science held in Pyongyang.

Foreign visitors of Korea expressed their admiration for the great vitality of our independent national economy, and the permanent representative of our country to the World Tourism Organisation (WTO) presented his credentials to the WTO general secretary, says the press.

It informs the readers that Kim Kyong-yong, sales director of the business department of the Sinchang Pharmaceutical Corp, Inc. in Seoul, South Korea, recently defected to the northern half of the country.

Printed in the press is an article on the patriotic stand for reunification and the treacherous stand seeking division.

NODONG SINMUN comes out with a commentary denouncing the scheme of the U.S. imperialists and the South Korean puppets to stage the criminal "Team Spirit" joint military exercises against us.

South Korean news columns of the press include reports that No Tae-u is attempting to bring back to Seoul Chon Tu-hwan, the murderer of the "fifth republic", and that South Korean farmers are struggling against the plunder of grains.

MINJU CHOSON conveys voices of world progressive people expressing full support to and solidarity with the Korean people in their cause of national reunification.

According to the press, a resolution on the principle of respecting state sovereignty and refraining from interfering in elections in countries was adopted at the U.N. General Assembly, the Presidency and the Federal Executive Council of Yugoslavia criticized the independence scheme of the Republic of Slovenia, a conference on Cambodia was held in Paris and the Soviet foreign minister expressed his intention to resign.

NODONG SINMUN introduces achievements made by the Chinese working people in the period of the seventh five-year plan.

The daily runs an article on the counter-revolutionary offensive of the U.S. imperialists against developing countries.

The press reports that the condition of the homeless people in East Germany is raised as a big social problem and that a Yugoslav paper said the change of power in the East European countries has brought not development and prosperity but unemployment, hunger and poverty.

Daily on People's Power Under Party Guidance

SK2612104890 Pyongyang KCNA in English
1014 GMT 26 Dec 90

["Enhancing the Function and Role of People's Power Under the Guidance of the Party"—KCNA headline]

[Text] Pyongyang December 26 (KCNA)—NODONG SINMUN today comes out with a by-lined article titled "Enhancing the Function and Role of People's Power Under the Guidance of the Party Is Important Guarantee for Victory of the Cause of Socialism".

Noting that our people's power firmly adheres to the socialist principle and method in socialist construction under the guidance of the party, thus displaying the honor and dignity of our socialism, the article says:

Our people's power is a revolutionary power boundlessly faithful to the guidance of the party.

This fidelity finds graphic manifestation in its adherence to the socialist principle and method.

Dear comrade Kim Chong-il has said:

"The socialist cause differs from other social movements because of its revolutionary principles, and it advances by relying on the justice and vitality of these principles. The history of the revolutionary struggle shows that when revolutionary principles are firmly maintained, the socialist cause will make progress in the face of any difficulty and ordeal, but that when they are abandoned the socialist cause will deteriorate and collapse."

The power of our republic solves all problems on the basis of the socialist principle, on the principle of giving full play to the advantages of socialism and by means of

mobilizing inexhaustible creativity of the popular masses, the driving force of revolution.

Our people's power regards the guidance of the party and unified leadership of the state as a fundamental principle of socialism and strictly applies it.

It governs in a unified way all regions of the country and all spheres of social life and constantly expands and strengthens its guidance over the state and social affairs as a whole. The centralized unified guidance of the state based on a high degree of democracy is a guarantee for the display of the advantages of our socialism under which all domains are moving concertedly and developing comprehensively with one goal, one purpose and one order.

Our people's power strictly applies the socialist method along with the socialist principle.

The socialist method is a collectivist one.

The power of our republic manages and develops the socialist economy by a collectivist method along the road indicated by the party.

The Taean work system established by the great leader Comrade Kim Il-song is a superior form of economic management which fully embodies the socialist principle and method.

Because our people's power maintains socialist principle and method under the guidance of the party, our socialism is stable and sound politically and throws its rays as genuine socialism under which life is full of vigor.

Our people's power strictly maintains socialist democracy in its activities under the guidance of the party, thereby bringing into full bloom the socialist life of the working people, the article says, and continues:

Our socialist democracy is a politics of the popular masses themselve whereby they hold the position of the master and play the role as such. This is the aim and driving force of the development of socialist society.

The advantages of our socialist democracy lie in that it is a genuine democracy for the broad working masses including workers, farmers and intellectuals, not for a tiny handful of exploiters, and a democracy which makes it possible to closely combine the independence of the individuals with that of the collective and fully realize them both.

Our people's power enforces democratic politics thoroughly representing the will of the popular masses. It is the supreme principle of our people's power bodies in their activities to shape policies suitable to the will of the working people, carry them through in their interests and practically guarantee them genuine freedom and rights and a happy material and cultural life.

Officials of our people's power bodies always find themselves among the masses with the revolutionary mass point of view indicated by the chuche idea, listen to their demand and opinion and meet them, sharing sweets and bitters with them.

Our people's power resolutely fights against class enemies, enforces true democracy and defends the rights of the people to independence.

It deals a decisive counter blow at the anti-socialist moves of the imperialists and their stooges and firmly defends the revolution and socialist motherland. It is an invariable stand of our people's power to wage an uncompromising struggle against all hues of unsound elements encroaching upon socialism, without the slightest vacillation and deviation, and answer the counter- revolutionary moves of the imperialists with the revolutionary principle. Thanks to the principled struggle of our people's power, the socialist gains are firmly safeguarded and the banner of revolution is flying high in our country.

National Symposium on Educational Science Held

SK2612055090 Pyongyang KCNA in English 0454 GMT 26 Dec 90

[Text] Pyongyang December 26 (KCNA)—A national symposium on educational science was held at the Grand People's Study House over December 24-25.

It was divided into pedagogy, social science education, natural science education, primary school and kindergarten education and teachers' education workshops and highly estimated papers were published at general symposium.

More than 160 papers on the achievements made in fulfilling the highly important tasks put forward in "Theses on Socialist Education", a work of the great leader President Kim Il-song, and "On Further Developing Educational Work", a work of dear Comrade Kim Chong-il, and on questions arising in putting the educational work on a more solid scientific basis and raising the effectiveness of education were made public at the symposium.

The speakers proposed practical ways of bringing up the students to be communist revolutionary personnel of chuche type boundlessly loyal to the party and the leader by strengthening political and ideological education among them.

South Korea

NSP Arrests 31 in North Underground Group

SK2612032590 Seoul YONHAP in English 0300 GMT 26 Dec 90

[Text] Seoul, Dec. 26 (OANA-YONHAP)—The agency for National Security Planning (NSP) announced Wednesday that it has crushed a pro-North Korea underground organization seeking national unification on communist terms and arrested 31 people.

The underground group called Chamintong, the Korean acronym for "independence, democracy and unification," had infiltrated the radical student coalition Chondaehyop, the nation's largest with chapters on more than 130 campuses, and instigated activism, the NSP said. Among the arrested are Chondaehyop chairman Song Kap-sok, accused of being a key player in Chamintong activities. All 31 of the arrested are charged under the National Security Law, which bans any unauthorized contact with North Koreans or praise of the North. The NSP announcement said the agency is looking for some 70 other people, including Ho Tak, the suspected leader of Chamintong.

The NSP confiscated over 700 items as evidence of anti-state activities, such as computer disks, recordings of North Korean radio broadcasts and a detailed program for achieving Korean unification under communism by 1995, the announcement said.

Chamintong was formed in December 1988 by some 200 students from about 10 college campuses, it said. An investigation was launched in late October, when the NSP, the former Korean CIA [Central Intelligence Agency], found links between the pro-Pyongyang revolutionary ring and Chondaehyop. The nationwide university coalition, since coming under the influence of Chamintong, has sung the praises of North Korean ideology while publicly supporting Pyongyang's schemes for unification and leading anti-American movements, it said.

Chamintong closely followed unification policies outlined by a North Korean organization called Hanminjun and was dedicated to achieving national unification under communist rule, the announcement said. The group's membership pledge included complete acceptance of North Korean leader Kim Il-song's "chuche" (self-reliance) theory and the promise to spread it among the public.

Chamintong picked Chondaehyop as a front early last year and drew scores of student leaders into the group, it said. Chondaehyop head Song Kap-sok, acting on orders from Chamintong leaders, organized hundreds of illegal demonstrations this year and mobilized at least 400,000 people, it said. Song was ordered to send two Chondaehyop representatives to North Korea and attempted to contact North Korean officials by giving a letter to a Japanese reporter. The reporter refused to cooperate, and the letter was never sent it said. Chamintong set up cells on campuses to distribute copies of North Korean publications and broadcasts and to deliver orders, it said.

Choe Ho-chung Expects North To Join UN in 1991

SK2112060790 Seoul YONHAP in English 0546 GMT 21 Dec 90

[Text] Seoul, Dec. 21 (YONHAP)—Foreign Minister Choe Ho-chung said Friday he expects North Korea to join the United Nations at the same time as South Korea next year. "A large number of non-aligned nations, including those in the Asia-Pacific region, expressed full support in this year's general assembly for our position that South and North Korea should join the United Nations together. I anticipate South and North Korea will be admitted together next year," Choe said.

South Korea had made a significant progress on the membership issue, he said, stressing the support of the permanent members of the U.N. Security Council [UNSC]. He noted that South Korea removed major obstacles to its bid for U.N. membership by establishing diplomatic relations with the Soviet Union on Sept. 30, and by opening a representative office in China.

Hyon Hong-chu, chief of the South Korean observer mission to the United Nations, sent a letter to UNSC President 'Abdallah Salih al-Ashtal on Thursday in which he said that his government was ready to join the world body at any time, with North Korea or alone, and expressing thanks to member countries that supported the South Korean position in this year's General Assembly.

In the letter, Hyon asked member countries to make diplomatic efforts to induce North Korea to accept South Korea's proposal. Pyongyang insists that unless South and North are recognized as one nation and have one seat between them it will perpetuate the territorial division of Korea. Hyon asked that the letter be taken as an official document and distributed to all member countries.

Seoul Likely To Apply for UN Membership in 1991

SK2112033690 Seoul YONHAP in English 0156 GMT 21 Dec 90

[Text] New York, Dec. 20 (YONHAP)—Hyon Hong-chu, chief of the South Korean observer mission to the United Nations, broadly hinted Thursday that his country's application for U.N. membership will be submitted next year. "When we think about the overall conditions and atmosphere at the United Nations, we regret that we did not file for membership this year. Next year, we will make every effort to become a U.N. member," Hyon told Korean correspondents stationed here. Korea is most likely to apply when the U.N. General Assembly convenes in mid-April.

Hyon said 71 of the 118 nations that mentioned the Korean question in this year's General Assembly supported South Korean admission while only nine expressed sympathy for North Korea's position. South Korea maintains that the two Koreas should become U.N. members simultaneously but separately, while North Korea insists that they should share a single seat.

"On the basis of this year's favorable trend, we will make further efforts to become a U.N. member next year," Hyon said. He said he had just written to U.N. Security Council President 'Abdallah Salih al-Ashtal to say that South Korea's move to join the world body together with

North Korea or by itself was proper in light of the cases of Germany and Yemen. Both East and West Germany and North and South Yemen had separate U.N. seats before they were united. Korea was divided into South and North at the end of the World War II.

Hyon said he hoped North Korea would respond "constructively" to South Korea's call for separate U.N. memberships but that if North Korea rejected the idea, South Korea would join alone. The U.N. General Assembly convened Sept. 18 and goes into recess on Friday until mid-April.

North To Return Rice Because of Publicity

SK2512102690 Seoul YONHAP in English 0203 GMT 25 Dec 90

[Text] Seoul, Dec. 25 (YONHAP)—North Korea will return 800 tons of rice secretly donated by a South Korean church group in July, according to newspaper reports Monday quoting Pak Kyong-yun, a pro-Pyongyang Korean resident in the United States. The CHUNGANG DAILY NEWS reported Monday that it had been told by Pak that Pyongyang had accepted the rice on condition that the donation was kept secret to build confidence between the South and North, but as Seoul had broken its promise the rice would be returned.

Pak said it was regrettable that the project had fallen through as it would have helped the two sides gain confidence in each other. Pak was the intermediary between "Rice of Love, Korea" and Pyongyang. The rice will be handed back by February, she said, claiming that no North Korean officials were involved.

"Rice of love," set up by a mainline Christian organization headed by the Rev. Ham Kyong-chik, began a nationwide drive in March to help the poor at home and Koreans abroad and collected some 2.57 billion won (3.6 million U.S. dollars). The group shipped 10,000 bags, or 800 tons, of rice from Pusan to Hong Kong, where it was transshipped, on July 3. The rice arrived in Nampo, near Pyongyang, on July 27.

Woman Behind Donation Interviewed

SK2612100590 Seoul CHUNGANG ILBO in Korean 24 Dec 90 p 2

[Article by correspondent Pang In-chol from Tokyo]

[Excerpts] The "mysterious woman" Ms. Pak Kyong-yun who is known as "the chairman of the Korean Mt. Kumgang International Trade Development Company," "the president of the Chungwoe Travel Agency," and also "the president of the Mt. Kumgang International Airline Company," volunteered to be interviewed by CHUNGANG ILBO.

"The Mt. Kumgang International Group," which heads these businesses, is North Korea's first enterprise consisting of 100 percent foreign capital. Ms. Pak is a Korean living in the United States who went there in 1958. [passage omitted]

Ms. Pak said that she had promised herself that she would not be interviewed by reporters, but she decided to volunteer this time because she wanted to reveal the truth about the incident of "North Korea accepting South Korea's rice," in which her sincerity was misconstrued.

Ms. Pak said that she only agreed with and cooperated with the Koreans living in the United States who wanted to convey to North Korea the "rice of love." She said that she does not know what kind of organization the "Movement To Share the Rice of Love Headquarters" is, which is a Korean Christian theological organization, or how many donations were collected. She said that this was exposed for "some individual's desire for fame" or "political intention." Thus her plan to continue promoting exchanges between the North and South vanished into thin air.

Refusal To Accept Rice Viewed

SK2612101990 Seoul CHOSON ILBO in Korean 26 Dec 90 p 3

[Article by political editor Yi Chong-won from the column "Reporter's Memobook": "Rice of Love and Rice of Hatred"]

[Text] The North Korean authorities announced that they will return the 10,000 bags of "rice of love," which South Korean Christian organizations sent to North Korea last July, on the grounds that "the South Korean side broke its promise to keep the donation secret." This is shocking news.

Simply put, the North Korean authorities' deplorable reasoning surprises and saddens us once again. In fact, "The Movement To Share the Rice of Love Headquarters" led by our Christian organizations carried out a top secret operation to send rice to North Korea in a way similar to a "007" mission. Its only motive was to help feed the starving brethren in the North at any cost. Beginning late last April, the headquarters made several trips to Tokyo, Hong Kong, and Beijing to contact Choson Kumgangsan International Trade Development, the North side's external window. With a Korean Christian minister active in the United States who played the role of mediator, the headquarters reportedly made tireless efforts for two months to persuade the North side to accept the offer. When the North side finally agreed to accept the offer at the end of painful negotiations, the headquarters transported all the rice processed at 7 mills across the country to Pusan and shipped it in the middle of the night.

In order to avoid hurting North Korea's dignity, the headquarters saw to it that the rice bags bore a marking

"Produced in Indonesia" and loaded them on a U.S. ship bound for Hong Kong, but made it sail via Taiwan, and then unloaded them in Hong Kong. The North side kept the ship in Hong Kong for over a week after unloading the rice to see whether the secret leaked or not.

Our side, too, had kept silent about it all the while.

Now, what did we get in return? When the secret was revealed first by Japanese press and then confirmed by news reports in South Korea, the North side immediately announced that it would send the rice back.

This is not the first time the North side made such a false accusation. When Hyundai Group sent a few items of heavy equipment last May, the North side sent them back even before unloading, denouncing our side for having used such monstrous words as "donation, free of charge."

Whatever, the case of the rice donation is entirely different from that of the heavy equipment. Instead of saying "we simply cannot accept the rice," the North Korean authorities went so far as to use such insulting words as "you had better distribute the rice to the dirt poor people in South Korea." Although the North Korean authorities say that they sent the rice back oecause the South side breached faith by disclosing the secret, it Japanese newspaper reports that led to what happened. Speaking of confidence, we have much more to say. During the second round of the South-North High-Level Talks, the North Korean authorities arranged almost forcit le family reunions for our delegates under the pretext of humanitarian consideration. Now, which side was it that revealed the secret? Who was it that made surprise visits to universities and other places, breaking the rules agreed upon by the South and the North during the third round of South-North High-Level Talks? Was it our side? As evidenced in the language of the announcement on their decision to send the rice back, saying that the South side can distribute the rice to the dirt poor, their single-minded goal is to scuttle our system. In my opinion, it is about time for us to fundamentally review our approach to the North.

While the North side has not changed its attitude at all, our side seems to be too enthusiastic in its effort to achieve something tangible. There is no denying that material exchange between the South and the North is a major step toward improving South-North relations and toward realizing national reunification. However, I think we cannot stand any more such deeds as returning evil for good out of an humanitarian undertaking designed to help our fellow countrymen. We must learn a clear lesson from this incident.

Group in Japan Conducts Anti-ROK Operations

SK2412141990 Seoul Domestic Service in Korean 0100 GMT 24 Dec 90

[Report by correspondent Yu Sung-che from Tokyo]

[Text] Japan's Public Security Investigation Agency announced that the General Association of Korean Residents in Japan [Chongnyon], through the so-called study team consisting of its cadres, is conducting brisk political operations such as inducing the ROK citizens visiting Japan to its side.

In its annual report released on 23 December, Japan's Public Security Investigation Agency revealed that although the study team is a secret organization, its 3,000 members have been actively contriving to induce the ROK citizens to its side since its founding in 1959. Japan's Public Security Investigation Agency also revealed that Chongnyon's study team is composed of 3,000 cadres, that its supreme leader is Kim Chong-il, and that its members are supposed to pledge absolute obedience to him, as is stipulated in its rules.

The Public Security Investigation Agency disclosed that Chongnyon, with the objective of achieving the fatherland's reunification by 1995, has been ordering the members of the study team to induce the ROK citizens visiting Japan to its side as revolutionaries or as its agents so that they may operate in the ROK.

Chongnyon dispatched the young members of the study team to North Korea after March this year to allow them to receive training from Workers' Party of Korea cadres on the so-called strategy of carrying out the revolution. Japan's Public Security Investigation Agency added that the study team is very likely to wage operations to induce ROK's influential policial and economic figures to its side by infiltrating its members into the ROK.

Cabinet Adopts Inter-Korea Fund Law

SK2112033790 Seoul YONHAP in English 0152 GMT 21 Dec 90

[Text] Seoul, Dec. 21 (YONHAP)—An enforcement decree for the South-North Korean Cooperation Fund Law adopted by the Cabinet Thursday allows the fund to be used to guarantee a cooperation project or make up for a loss in trade between South and North Korea. The enforcement decree is effective the day it is proclaimed, which will immediately follow presidential approval.

The decree comprises 20 articles and appendices that stipulate that income derived from the operation of the cooperation fund and inter-Korean exchange and cooperation projects be reinvested in the fund, and that the fund be managed by the president of the Korea Export-Import Bank.

It empowers the national unification minister to decide who receives payments from the fund for inter-Korean exchange and cooperation projects on the advice of the Council for Inter-Korean Exchange and Cooperation in consultation with other ministries. It also allows banking institutions exchanging North Korean currency to be compensated for losses and the unification minister to ask the finance minister to issue a fund bond if he deems it necessary.

With a view to setting up the fund in the first half of 1991, the government included 25 billion won for the fund in the budget and plans to increase it to 300 billion won by 1993.

North Names Head Delegate to Japan Talks

SK2212022790 Seoul SEOUL SINMUN in Korean 22 Dec 90 p 2

[YONHAP from Tokyo]

[Text] The Japanese Foreign Ministry announced on 21 December that it had been informed of North Korea's appointment of Chon In-chol, vice foreign minister, as head of its delegation to the full-dress Japan-North Korea negotiations on establishing diplomatic relations, which are scheduled to be held in Pyongyang at the end of January next year.

In the meantime, the Japanese Government has also named Noboru Nakahira, 60, as the senior member of the Japanese delegation to the talks.

North Seeks Ties With Latin American Nations

SK2612074390 Seoul CHOSON ILBO in Korean 25 Dec 90 p 2

[From Buenos Aires]

[Text] It was learned on 23 December that North Korea has further accelerated its efforts to strengthen diplomatic relations with Central and Latin American countries and that it had sent a delegation led by Kim Hyong-u, deputy director of the International Department of the Workers' Party of Korea, to Montevideo to establish its trade representation office, as a step for such efforts, in Uruguay—a country with which it has no diplomatic relations.

It has been learned that on 6 December, the North Korean authorities instructed deputy director Kim Hyong-u and his party to visit Uruguay through Peru, with which North Korea has diplomatic relations, and that while staying in Montevideo until 10 December deputy director Kim not only attended a party convention of the Uruguayan Socialist Party, a minority opposition party of Uruguay, but also unofficially discussed the possibility for exchanging trade representative offices between the two countries with the Uruguayan Government under President Lacalle.

It has been also learned that the North Korean delegation led by Kim Hyong-u returned to Peru after holding the first round of unofficial talks with Uruguayan Government officials to discuss the issue of exchanging trade representative offices between the two countries and that the delegation will visit Uruguay again next January.

Theology Course Opens at Kim Il-song University

SK2412143390 Seoul HANGYORE SINMUN in Korean 21 Dec 90 p 14

[Excerpt] It was learned on 20 December that a "course on Christian theology" opened in November for the professors at Kim Il-song University and that this course will also be opened to students next spring semester.

This was revealed by South Korea's Reverend Hong Kun-su (Hyangnin Church), who received a letter from Reverend Hong Tong-kun (chairman of the Association of Theologians for Reunification), through his relative living in the United States. Reverend Hong Tong-kun, who is a Korean-American, has been teaching this course since last November at Kim Il-song University at North Korea's invitation.

In this letter Reverend Hong Tong-kun said: "This course is being taught due to theological figures' efforts in the reunification movement." [passage omitted]

Korean General Likely To Become MAC Head

SK2612042990 Seoul YONHAP in English 0229 GMT 26 Dec 90

[Text] Washington, Dec. 25 (YONHAP)—A South Korean general is likely to be named to head the U.N. delegation to the Military Armistice Commission [MAC] overseeing the Korean armistice in January, a diplomatic source said here Tuesday.

The U.S. Administration has notified South Korea of the planned replacement of the chief delegate through diplomatic channels. China and Soviet Union have also been notified, the source said.

The MAC delegation has been led by a U.S. military officer since July 1953, when a truce halted a war on the Korean peninsula. Current chief delegate Rear Adm. Larry Vogt's tenure expires on Jan. 11, the source said.

South Korea and the United States agreed during their annual security consultative meeting in mid-November to replace Vogt with a Korean general by the end of 1992, when the first phase of a pull-out of American troops from Korea will be completed.

North Korea is opposed to a South Korean heading the MAC delegation on the ground that South Korea was not a signatory to the armistice.

It was signed on July 27, 1953, by the United States, North Korea, the Soviet Union and China.

Officials To Meet, Discuss U.S. Trade Friction

SK2512030390 Seoul YONHAP in English 0216 GMT 25 Dec 90

[Text] Seoul, Dec. 25 (YONHAP)—Senior government officials will meet Saturday to work out ways to tackle the trade friction with the United States, a government official said Monday. "At the meeting, to be chaired by

assistant foreign minister for economic affairs Yi Ki-chu, details of the Uruguay Round negotiations and trade issues pending between our country and the United States will be intensively discussed in preparation for the 9th Korea-U.S. economic council meeting to be held in Seoul Jan. 17-18," he said.

On Monday, the directors-general of related ministries exchanged views on the development of Korea-U.S. trade friction, which was spotlighted by former deputy prime minister Cho Sun's recent visit to the United States as President No Tae-u's special envoy. "Considering the outcome of Cho's visit to Washington, the United States is likely to place primary emphasis on early settlement of the Uruguay Round negotiations," he said. The government will make positive efforts to cooperate with the United States for the success of the negotiations, at the same time trying to narrow differences between concerned ministries through further negotiations before the bilateral council meeting next month, he said.

Seoul-Washington Relations Viewed

SK2412032690 Seoul HANGYORE SINMUN in Korean 23 Dec 90 p 3

[Article by reporter O Tae-kyu: "ROK-U.S. Cool Wind"]

[Text] Rapidly developing ROK-USSR relations, together with existing trade discord and pressure for opening markets, are straining ROK-U.S. relations.

The United States, which exercises dominant political, economic and military influence in the Northeast Asia, did not conceal its displeasure, going beyond concern, over the rapidly developing relations between the ROK and the Soviet Union.

The United States has not published any official comment on the recent ROK-USSR summit talks.

A U.S. State Department official on 13 December merely expressed a basic welcome for President No Tae-u's visit to the Soviet Union, noting: "His visit is a historic event for ROK-USSR relations and I hope it will contribute to peace and stability on the Korean peninsula." Thus, even our government authorities were embarrassed at the U.S. attitude toward ROK-USSR summit talks.

Needless to say, the cool air hanging over ROK-U.S. relations was not caused suddenly just by the rapidly developing ROK-USSR relations. The U.S. press, including THE WALL STREET JOURNAL, has carried a number of articles stating that the ROK broke faith by violating its pledge to open markets.

In an interview with a government-operated U.S. radio, "Voice of America" on 22 December, U.S. Ambassador to Korea Gregg warned that we "will react strongly if we find that our products are being targeted in the name of an austerity campaign."

The reasons that U.S. authorities and the U.S. press strongly voice their criticism of the ROK can be explained in many ways. However, one of the reasons for this is clearly the raapprochement between the ROK and the Soviet Union.

Although the United States has not openly expressed its discontent with ROK-USSR relations, our authorities have sensed such discontent through various unofficial channels. Such discontent can be summarized as follows:

First, in the economic arena, the United States thinks that the ROK laid the foundation for advancing toward the Soviet Union with money earned from the United States, but despite this, the ROK is very stingy toward the United States.

According to a government official, the United States is displeased with the ROK plan to offer economic cooperation amounting to several billion dollars to the Soviet Union with money earned in the U.S. markets, while it shows a negative attitude toward U.S. pressure for market opening and the Uruguay Round negotiation talks.

Secretary Mosbacher asked Commerce and Industry Minister Pak about the reaction of ROK businessmen who went to the Soviet Union, to the Soviet markets, and said: "I heard from the people of Poland and other countries that the Soviet situation is very bad." Thus, he expressed concern about the ROK enterprises moving into the Soviet Union.

At a news conference held at the White House after a cabinet meeting on Uruguay Round talks in Brussels, U.S. President Bush pointed to the European Community, Japan and ROK as the nations responsible for the breakdown of the Uruguay negotiations, and made sarcastic remarks against them. This can be interpreted as a signal that the United States will strongly deal with the issue of trade with the ROK.

At the ROK-U.S. working-level officials' conference held in Seoul on 17 and 18 December immediately after the ROK-U.S. summit talks, the U.S. side expressed unprecedentedly strong displeasure with the attitude which the ROK took toward impending trade issues between the two countries—including the antiluxury campaign—and the Urguay Round negotiations.

The U.S. is also unhappy about the ROK because it is reluctant to increase its share of the defense burden simply because it is so attracted to the USSR—despite the fact that the U.S. has defended the country ever since the Korean war.

A good example of this displeasure is that U.S. Ambassador Gregg, in a letter sent to Foreign Minister Choe Ho-chung, demanded that the $50 million budget item for labor costs for U.S. troops in the ROK for 1991 be passed in the National Assembly without any reduction.

U.S. concern about the rapid progress made so far in ROK-USSR relations is seen as having been caused to a great extent by the expanding Soviet sphere of influence in Northeast Asia.

One government official said: Primarily, the United States seems to sense the absence of a system that satisfactorily speaks for its interests in this region as does the current arrangement. The United States has no reason at all to welcome the rapid expansion of the Soviet sphere of influence in this region based on its relations with Korea.

Therefore, up to now, the United States has made no comment on the so-called Moscow declaration between the ROK and the Soviet Union, a document that in effect amounts to recognizing the Soviet Union as a force in Northeast Asia. The United States is known to be secretly unhappy about it.

A portion of the Moscow declaration states: "The ROK and the USSR vow to make efforts to turn Asia and the Pacific into a region of peace and constructive cooperation through bilateral and multilateral consultations." Observers unanimously regard this to be an irritant to the United States, as it supports the Soviet Union's traditional call for the formation of a security consultative body in Asia and the Pacific.

Of course, we have heard later that in the course of wording the draft of the declaration, our government had tempered the content of the Soviet side's detailed call for the formation of a security consultative body in Asia and the Pacific.

The United States is also known to have been irritated by one portion of the declaration that called "for easing the nuclear and conventional arms race" in the belief that it has reflected the basic stand of the Soviet Union on converting the Korean peninsula into a nuclear-free zone and arms control zone in Northeast Asia, and that this includes the pullout of U.S. Forces.

Editorial on Trade Friction

SK2412122790 Seoul CHUNGANG ILBO in Korean 24 Dec 90 p 2

[Editorial: "Recurrence of ROK-U.S. Trade Friction Causes Worry"]

[Text] It appears that the ROK-U.S. trade friction is becoming serious. Cho Sun, former vice prime minister who visited the United States as special presidential envoy to explain our side's position on the trade issue, returned on 23 December. He said the internal U.S. atmosphere was that "not only the administration but also the Congress, press, and even research institutes expressed unanimous, strong regrets for our movement to curb over-consumption, our uncooperative attitude in the Uruguay Round [UR] negotiations, and our foreign policy of opening up."

He also revealed his own opinion that "since the ROK-U.S. relations have become very distant, recovery of mutual trust is very urgent."

Former prime minister Cho Sun returned with a personal letter from U.S. President Bush. Although the content of the letter was not made public, reports say that the United States' regrets on the trade issue must have been expressed.

The United States Government's expression of discontent over trade with the ROK is nothing new. Whenever the United States finds an opportunity, including during the visit of our side's purchase delegation to the United States last summer, the regular meeting between relevant officials from the U.S. Chamber of Commerce in the ROK and our government in early November, the ROK-U.S. conference on financial policies and working-level trade talks in mid-December, it expressed its discontent with the movement to curb over-consumption in the ROK and with the speed of opening the markets.

It was anticipated even beforehand that since the UR negotiation talks late last month failed to reach settlement, thus passing the year, the U.S. pressure on bilateral trade would further increase.

Upon hearing the result of U.S. visit by former prime minister Cho Sun, we are worried that we will face a very serious phase because there is a great possibility that the accumulated discontent of the U.S. side will work as unfavorable factor in our trade transaction with the United States in the future and because it appears that our side has not worked out any effective countermeasures up to now.

Furthermore, the discontent expressed by the U.S. side includes some unconvincing points to our people, including discontinuation of our movement to curb over-consumption and the demand for comprehensive opening of our markets. Thus, our worries have increased.

Needless to say, the difference in historical background and cultural traditions and in the people's way of life and way of thinking between the two countries worked as a factor deepening mutual friction and distrust.

At the same time, no one can deny that the sense of superiority of the United States, a big economic power, and its high-handed attitude based on the theory of strength, and our government's lukewarm attitude caused by frailty in domestic political foundation, are functioning as factors accelerating aggravation of the situation.

It was learned that, on a few occasions, even though our government had made promises—ones that were difficult to fulfill—during negotiations with the United States due to U.S. pressure, it failed to persuade its people to accept what it had promised. As a result, the United States came to distrust our government.

Nevertheless, we do not like to point out again the U.S. Government's high-handed attitudes or our government's mistakes. This is because each has its own logic and its own reasons for its attitudes.

Something we would like to stress is, however, that the trade relations between the two countries must not continuously be aggravated as they are at present. This is not desirable for either country.

In order to remove trade friction between the ROK and the United States, the ROK must make positive efforts to understand the U.S. position and to lead the United States to understand our position and vice versa.

We would like to add that with the collapse of the cold war structure, the ROK-U.S. relations as military allies are gradually changing into relations as trade partners. Therefore, we must have a new understanding of the ROK-U.S. trade issue with a new resolve and attitude.

No Aims at Pyongyang 'by Way of Moscow, Beijing'

SK2312021790 Seoul THE KOREA HERALD in English 23 Dec 90 p 1

[By staff reporter Kang Song-chol]

[Text] On the western front line—President No Tae-u said yesterday North Korean leader Kim Il-song does not pursue openness, fearing his regime might collapse.

"Kim Il-song has told too many lies to the North Korean citizens only to maintain his regime," No said while inspecting soldiers in a front-line unit here. "He must be afraid that should he pursue openness, his regime might collapse."

No inspected front-line units, including a U.S. battalion, for about three hours to encourage soldiers there. He gave year-end gifts to the soldiers.

"I appreciate your endeavors to safeguard peace and democracy in this part of the world, the last remaining cold war place," the President said when he visited a U.S. military camp.

Prior to the visit to the U.S. camp, he inspected a Korean unit and checked security preparedness. He also went to a watch post and observed through binoculars scenes in the Demilitarized Zone and North Korea.

He had lunch with soldiers and explained the results of his recent visit to the Soviet Union. He visited the USSR Dec. 13-16. "The direct road to Pyongyang is blocked, so I intend to go there by way of Moscow and Beijing," he said.

No Tae-u Sends Christmas Message to U.S. Forces

SK2412092490 Seoul YONHAP in English 0521 GMT 24 Dec 90

[Text] Seoul, Dec. 24 (YONHAP)—President No Tae-u, in a Christmas message to the U.S. forces in South Korea, said Monday that by successfully carrying out a mission of deterrence and defense in Korea over several decades they had enabled the nation to develop economically as well as politically.

"We are ever grateful to the service, sacrifice and dedication that you the U.S. servicemen and women have rendered for our common cause of peace," the president said.

He said the contribution of the U.S. military to talks between South and North Korea were not only significant but essential and indispensable, adding that South Korea will continue to pursue inter-Korean dialogue until mutual trust is established and a durable structure of peace is ensured in the Korean peninsula.

Verbal War Between North, USSR Heats Up

SK2612090690 Seoul TONG-A ILBO in Korean 24 Dec 90 p 3

[Article by reporter Yi Chae-ho from the column "Focal Point": "The Growing Distance Between North Korea and the Soviet Union—A New Kind of Cold War"]

[Text] Relations between North Korea and the Soviet Union have been growing cooler ever since the ROK and the Soviet Union established diplomatic relations and President No Tae-u visited the Soviet Union. Not only has North Korea closed the Pyongyang offices of NOVOSTI, the Soviet news agency, and KOMSOMOLSKAYA PRAVDA, but it also denied an entry visa to a TASS correspondent on 22 December.

Displeasure with the press is a sign of souring relations between the two countries. So, the current tug-of-war is seen as serious. Even when ROK-USSR relations were moving rapidly behind the scenes last spring, the Soviet Union and North Korea exchanged acrimonious words of denunciation, using the press as an instrument. In particular, North Korea fully displayed its uneasiness by virtually blocking the Soviet correspondents' coverage activities in Pyongyang.

A high-ranking government official said on 24 December that North Korea and the Soviet Union are engaged in a proxy war in the press and that it is a sort of limited war with a view toward achieving political and strategic goals, not merely a war of emotions.

This official cited three reasons for it.

First, it is noteworthy that the closure of the Soviet news agency occurred immediately after President No's visit to the Soviet Union. Though it was not unexpected, the unexpectedly rapid speed of the development in ROK-USSR relations has surprised and disheartened North Korea, and North Korea has begun expressing its displeasure in attacks directed at the Soviet press.

North Korea is greatly disturbed by the developing ROK-USSR relations. Nevertheless, it is in no position to pick a government-to-government fight with the

Soviet Union. It is because the Soviet Union is still not only North Korea's most important ally even at this moment, but it is a country upon which North Korea depends absolutely as a s source of weapons and economic aid. North Korea owes the Soviet Union 65 percent of its total foreign debt, which is set at $6 billion. All told, North Korea, which apparently does not want strained political re'·ions with the Soviet Union at the governmental level, t. believed to have begun making its uneasy feelings kno vn to the Soviet Union by attacking the latter's press.

Second, the two countries are expected to change their bilateral trade payment system into a purely commercial one beginning next year. When this new system is put into effect, North Korea will have to pay for imported goods from the Soviet Union with transferable currencies according to international market prices. The two countries agreed on this when they held trade talks in Moscow last 2 December. This payment system no doubt will be a great burden to North Korea, which has been long been troubled by an extreme foreign currency shortage. Beginning next year North Korea must pay international market price for crude oil, which it has been able to buy from the Soviet Union at what is known as "fraternal prices," normally one fourth or half of the international prices. What is more troubling for North Korea is that it has to pay with dollars.

Specialists unanimously agree that one reason North Korea is enthusiastic about negotiations with Japan over establishing diplomatic relations, and about compensation in particular, is that it needs hard currency to pay for the imported crude oil. This being the case, it is natural for North Korea to have hard feelings for the Soviet Union.

Third, North Korea has been resisting Soviet pressure for opening and reform. The closure of the Soviet news agency may be a sort of warning that North Korea, though it can do nothing about the developing ROK-USSR relations, and economic cooperation in particular, will not tolerate such relations becoming pressure on it to open up and reform.

When Soviet Foreign Minister Shevardnadze stressed the inevitability of the establishment of ROK-USSR relations and changes in Asia and the Pacific in an article carried in IZVESTIYA last October, North Korea bitterly denounced the Soviets through NODONG SINMUN, saying "the Soviet Union has gone mad in pursuit of the dollar and has openly taken part in the basic strategy of the United States, which is bent on toppling the socialist system in our country."

The North Korean reporters who came to Seoul during the third round of the South-North High-Level Talks also openly denounced the Soviet Union in front of the South reporters. Despite the proxy war being fought in the press, the two countries are not expected to go so far as to allow their basic relations of friendship to falter.

The two countries still need each other. Moreover, North Korea has no country other than the Soviet Union to turn to because its effort to improve relations with the United States and Japan has not achieved tangible success.

Of course, North Korea appears to be greatly leaning to China since the ROK and the Soviet Union established diplomatic relations. During the past two months, many high-ranking North Korean leaders, including Premier Yon Hyong-muk, visited China, and a series of rallies renewing North Korea-China friendship were held in Pyongyang. However, specialists say that China has limited benefits to offer North Korea. When Premier Yon visited China on 23 November and complained to the Chinese leaders about food and energy shortages, China was cool, according to reports. What is more, China began to feel limits in its policy of unilateral support for North Korea since the opening of the Chinese trade mission in Seoul.

North Korean-USSR relations have soured before. The two countries were not on friendly terms in 1956, when Stalin was under attack in the Soviet Union, but they were very close to each other in the latter half of the sixties, when China was in turmoil due to the Cultural Revolution, and again in early and middle eighties, when the military alliance system among the ROK, the United States, and Japan became firmer.

In particular, the Soviet Union seems to be bent on broadening its sphere of influence on the Korean peninsula, next to that of the United States, to the point of regarding it as its supreme diplomatic goal. At the same time, it is adhering to its own initiatives for forming a collective security body in Asia. The fact that the Soviet Union seeks to maintain economic relations with the ROK and strengthen political and military relations with North Korea based on what is known as "two-track approach" is seen as part of such a strategy.

Specialists say that the saying, "we make new friends, but we do not abandon our old friends," a diplomatic goal based on Gorbachev's new political thinking, merits our pondering.

Editorial Views Shevardnadze's Resignation

SK2212082090 Seoul CHOSON ILBO in Korean 22 Dec 90 p 3

[Editorial: "Perestroyka in a Crisis"]

[Text] The resignation of Soviet Foreign Minister Shevardnadze, the standard bearer of "perestroyka diplomacy," is so shocking. The shock waves in our country and the world over caused by the announcement of his resignation are great, as evidenced by the sharp drop in stock prices in the world's major stock markets and the sudden rise in the gold prices and the values of dollar.

It remains to be seen how President Gorbachev will handle his letter of resignation and what kind of office

Shevardnadze will take in the Soviet Union in the future. However, one thing that is certain is that should Shevardnadze's departure cause stagnation or retreat in the chaotic Soviet perestroyka and foreign policy, it will be unfortunate not only for the Soviet Union, but also for the world at large.

Foreign Minister Shevardnadze has taken the lead and played a decisive role in normalizing diplomatic relations between the ROK and the USSR.

In an article contributed to IZVESTIYA in the wake of the establishment of the ROK-USSR diplomatic relations, he wrote that "a solution to the Korean question is an indispensable condition for preserving peace and promoting friendly relations in the region." "This is why," he continued, "the Soviet Union regards the Korean peninsula question as the most important task in its foreign policy toward Asia." In the next breath, he said that "realizing peaceful reunification, the Korean people's paramount desire, through constructive dialogue after easing or removing the military and political confrontation on the Korean peninsula is the highest objective in Soviet diplomacy and toward this end the Soviet Union will promote South-North dialogue and peace. It was according to Shevardnadze's vision as such that the ROK and the Soviet Union establish diplomatic relations and the South and the North continue dialogue.

We believe that there will be no change in the Soviet Union's basic policy on easing tensions on the Korean peninsula and on South-North exchanges, whoever may replace Shevardnadze as Soviet foreign minister. In particular, there should be no change in President Gorbachev's plan to visit Korea during the first half of next year and ROK-USSR relations, including economic cooperation, should be promoted without fail. What is more, Foreign Minister Shevardnadze has played a great role not only in achieving reconciliation and in forging cooperative relations between the United States and the Soviet Union, but also in improving relations between the East and West. The whole world hopes that the global detente, the fruition of protracted efforts, will bear fruition, without fail.

Shevardnadze, who has held the title of Soviet foreign minister, has been President Gorbachev's right hand man. Naturally, he has exercised considerable influence in Soviet domestic politics.

His resignation as an expression of protest against the advance of conservative, reactionary forces and warning against the return to dictatorship indicates that perestroyka faces a host of serious challenges. The conservative forces, which are critical of perestroyka, have been denouncing perestroyka, arguing that the Soviet Union has lost East Europe and its sphere of influence simultaneously and has brought the Soviet economy on the verge of bankruptcy as a result of perestroyka. Rebutting this assertion, Foreign Minister Shevardnadze insisted that all these are the prices the Soviet Union must pay to make perestroyka successful and that the Soviet people cannot hope for a better life without reforming the economic structure. The United States, Japan, and Western Europe, including Korea, should rush their help to the Soviet Union to successfully carry out perestroyka.

If another form of authoritarianism or dictatorial regime is allowed to come back to the Soviet Union, there is a high possibility of the world seeing the newly established world order and the cooperative mood go back to square one.

We accept Foreign Minister Shevardnadze's resignation as a serious matter and can hardly suppress our concern about the future of perestroyka. Had it not been for perestroyka, the normalization of ROK-USSR relations would have been impossible and improving South-North relations would also have been much more difficult. This is why we become vigilant against the advance of the conservative, reactionary, and dictatorial forces which Shevardnadze warned and protested against.

Kim Tae-chung Urges Prudence in USSR Relations

SK2612065790 Seoul YONHAP in English 0600 GMT 26 Dec 90

[Text] Seoul, Dec. 26 (YONHAP)—Opposition leader Kim Tae-chung on Wednesday joined a growing chorus of voices urging the South Korean Government to take a more prudent approach to economic cooperation with the Soviet Union. He also called on Foreign Minister Choe Ho-chung to try harder to persuade North Korea to accept simultaneous entry of South and North Korea into the United Nations.

After being briefed by Choe on developments in Korea-Soviet and Korea-U.S. relations, the head of the Party for Peace and Democracy (PPD) pointed out that the burden of trading with the Soviet Union on a deferred payment basis was likely to be passed on to the public and dismissed the Soviet explanation and apology for the 1983 downing of a South Korean jetliner by Mig fighters as "insufficient."

Soviet President Mikhail Gorbachev did not apologize for past events between his country and South Korea and the explanation of Foreign Minister Eduard Shevardnadze was not public but released by Choe, who told Kim it was difficult to get a satisfactory apology while President No Tae-u was in Mscow and there would be diplomatic efforts to get one, according to a PPD spokesman.

In the meeting, Kim accused Ambassador Hyon Hong-chu, head of the South Korean observer mission to the United Nations, of causing suspicion that Seoul was putting forth a policy of isolating North Korea by frequently saying South Korea would join the world body on its own if North Korea refused simultaneous admission. Kim asked Choe to make more efforts to get North Korea to join the United Nations at the same time as South Korea. Pyongyang has persistently refused,

saying such a move would perpetuate the division, and has suggested sharing a single U.N. seat.

Major Cabinet Reshuffle Likely This Week

SK2612021690 Seoul YONHAP in English 0045 GMT 26 Dec 90

[Text] Seoul, Dec. 26 (OANA-YONHAP)—A major cabinet reshuffle is likely this week so that President No Tae-u can start the new year with a new lineup, government sources said Wednesday. The changes will probably be announced on Friday or Saturday, as an overall review is planned early Friday on the progress of a nationwide crackdown on crime proclaimed by No on Oct. 13, the sources said. Expected departures include the prime minister, the deputy prime minister and some 10 other ministers as well as four or five presidential secretaries.

No was reported to be considering a reshuffle early next year, but his aides are said to have proposed the new cabinet be installed by year-end to minimize speculation and to put the new staff to work as soon as possible. No's aides recommended an early reshuffle on Monday, and the president accepted the idea, one source said.

The realignment is seen as No's attempt to tie up loose ends during his last two years in office. No was sworn on Feb. 25, 1988, and enters the fourth year of his five-year term in 1991.

Prime Minister Kang Yong-hun is most certain to be replaced, at Kang's request, and the top contenders in the race for his job are No Chae-pong, presidential secretary-general for political affairs, So Tong-kwon, head of the agency for national security planning, and Rep. Yi Chun-ku of the ruling Democratic Liberal Party.

Kim Chong-in, senior presidential secretary for economic affairs, is a candidate for the deputy premiership, which carries with it the economic planning portfolio, but Yi Sung-yun, the current officeholder, may stay, the sources said.

The foreign, education, information, sports, labor, unification, and trade and industry ministers are also tapped for replacement. The presidential secretaries for economic affairs, diplomacy and security, and protocol will also be reshuffled, they said.

National Scene Viewed in Wake of Northern Policy

SK2312032490 Seoul THE KOREA TIMES in English 23 Dec 90 p 2

[From the "News in Review" column by political editor Chong Un-pong: "No, Gorbachev Appear To Be in Same Boat"]

[Text] Shevardnadze stunned not only his nation with his decision to resign as foreign minister. Koreans were also taken by surprise because his bombshell announcement came amid lingering hyperbole about President No Tae-u's recent visit to Moscow.

It was Shevardnadze who made what appeared to be an apology for the downing of an unarmed Korean airliner and involvement in the Korean War. Had it not been for his remarks, the much-touted "Moscow Declaration" which No made with Gorbachev may have lost much of its luster.

No doubt, his remarks saved No from criticism from the opposition camp when he returned. No may have felt sore upon hearing the news from Moscow, which was well demonstrated by the quick reaction of Foreign Minister Choe Ho-chung. Less than one day after the resignation announcement, Choe said, "It is very surprising and regrettable that Shevardnadze who showed deep understanding and an active attitude toward our country...has announced his resignation."

Choe, who met with the Soviet foreign minister during President No's visit to Moscow (Dec. 14-17), praised him for his active role in the establishment of ties with Seoul.

What the real intention of Shevardnadze is still unclear. But, what is certain is that the "perestroyka" which Gorbachev and Shevardnadze vigorously pushed is facing obstacles put up here and there by conservative hardliners at home. "Perestroyka," which successfully tore apart the cold war structure, is now staggering under the heavy pressure of responding to all kinds of complaints unleashed by it. With the economy in terminal decline, the Soviet society is in deep disarray. So serious is the situation that anything could happen like in the days before the Bolshevik Revolution, according to wire reports.

Gorbachev is now flying high with his trademark policy of reforms. But he seems to be struggling to coordinate for a soft landing. But, developments at home raise fears that he may plunge to the ground like a crippled fowl. He scored high points on diplomacy. But, domestic politics is left to hang in an exceptionally precarious balance, and in which direction it will tilt is everybody's concern.

In this respect, there is some similarity between No and Gorbachev. President No pulled off comparable feats on the diplomatic front with his vigorous "Nordpolitik." He opened up diplomatic ties with all of North Korea's allies. He deserves due credit for the work. But problems at home cannot be said to have been properly dealt with in the same way.

As crimes grew so violent he had to declare a "war on crime" in October. But, there is no sign that he is winning the war. When it comes to the economy, the landscape is bleak with prices soaring and exports dwindling. Complaints are everywhere. The bedrock of price stability has been shattered. Just last week, there was a raise of transportation fares and other service charges.

People shiver in fear of runaway of price hikes next year with workers demanding pay raises.

Because of price hikes, people tend to go on spending binges instead of saving for the future.

Fueling the undesirable trend is the holding of elections to form local councils probably in March. When there are elections, money volumes swell inevitably. This one will surely fan the inflationary spiral.

With the implementation of local autonomy, the nation is to see general elections each year, whether they be local council elections, parliamentary elections, or presidential elections. All elections are costly, and far from productive, if the past record is any indicator.

With local elections, politics will fly high. But, politicians are very low at the polls, being struck down by recent revelations of possible links with organized gangs. Authority in all segments of society, much less politics, is crumbling. This dangerous phenomenon is not accidental. Now, the nation is set to enter an "era of elections," not knowing what disastrous havoc they may wreak upon the nation.

Minister Explains Economic Policy for 1991

SK2112035190 Seoul YONHAP in English 0300 GMT 21 Dec 90

[By Yi Tong-min]

[Text] Seoul, Dec. 21 (OANA-YONHAP)—South Korea is aiming for 7 percent economic growth in 1991, with a per capita gross national product of 6,220 U.S. dollars and a trade deficit of 7 billion dollars.

Inflation and wage increases are to be kept to single-digit rates by an economic policy that emphasizes growth in the manufacturing sector and encourages national savings, Deputy Prime Minister Yi Sung-yun reported to President No Tae-u Friday. In his economic management plan for 1991, Yi, who is also economic planning minister, vowed improvements of living standards for farmers.

The plan projects 7 percent real economic growth next year, down from this year's 9 percent. Individual GNP will edge up from this year's 5,500 dollars to 6,220 dollars. Exports are forecast to grow 7.8 percent to 69.5 billion dollars, compared to 9.3 percent for imports to 76.5 billion dollars, both on a customs clearance basis. On an international payments basis, the trade deficit is likely to reach 2.8 billion dollars. The current account deficit is seen close to 3 billion dollars for 1991, up 1 billion dollars projected for this year.

The report, drawn up Wednesday by economic ministers, highlights four major directives—first, to boost growth of the domestic manufacturing industry: second, to encourage the public to save and to stabilize economic conditions: third, to improve living standards for farmers: fourth, to effectively deal with market liberalization and other international trends.

In the briefing, attended by 12 economic ministers and officials, Yi emphasized discouraging signs such as the international slump from the Persian Gulf crisis, oil price hikes and consequent fears of inflation. "We will seek steady measures to enhance industrial competitiveness and firmly establish price stabilization," he said. "We will concentrate on creating an atmosphere for every farmer, worker and businessmen to wan. .o work diligently."

To nurture the manufacturing industry, the government will gradually cut financial assistance to the non-manufacturing sector while expanding support for the manufacturing industry, especially for small and medium companies. Issuance of industrial finance bonds will be doubled in 1991 to 4.35 trillion won (6.1 billion dollars), which will be used for facility investment. The government is also to set aside 650 billion won (909 million dollars) for automation and systemizing industrial information with an additional 250 billion won (350 million dollars) especially for small- and medium-sized businesses.

The government will also allocate 2.5 trillion won (3.5 billion dollars) for investment in industry-related facilities, such as roads and seaports, to upgrade transport systems, and invite private investment as well. The 2.5 trillion won is a 35 percent increase from this year.

The production workforce will be supplemented by 200,000 to 300,000 high school graduates as well as women and retirees.

To boost savings, a new high-interest savings plan will be offered from early next year. It will benefit people who deposit less than 300,000 won (420 dollars) a month by exempting their earned interest from tax. The government is to offer an annual interest rate of 15 percent, some 3 percent higher than regular savings.

For stabilization of economic conditions, currency control measures will be reset every quarter to keep pace with inflation, domestic and international interest rates and overall economic trends. To stamp our real estate speculation, all business conglomerates will be ordered to sell all land holdings not being used for business purposes by the end of June next year. Government-subsidized housing will be raised by between 450,000 and 500,000 units next year.

Other measures include containing pay raises within single digits and keeping inflation at 8 percent to 9 percent for consumer prices and 7 percent to 8 percent wholesale. The government will designate at least 20 consumer items for special inflation control.

To improve living conditions for farmers, loans and funds for farm expansion will be increased by 60 billion won (83.9 million dollars) next year. The agricultural stabilization fund will also be increased from 515 billion

won to 686 billion won (959 million dollars). Support for education in agriculture districts will now cover up to the senior year in vocational high schools.

The economic plan also calls for providing sources of non-farm income.

In dealing with international economics, the government will step up domestic competitiveness in the finance and service industries, seek aggressive exports to the European community and assume a bigger role in Asia-Pacific economy. The government will also seek to update the domestic situation with recent developments in ties with the Soviet Union while pursuing establishment of a South-North Korea joint economic committee.

Second Korean Ethnic Festival Set for Sep 1991

SK2112055790 Seoul YONHAP in English 0504 GMT 21 Dec 90

[Text] Seoul, Dec. 21 (YONHAP)—Organizers of the world Korean ethnic sports festival have set the date for the second festival as Sept. 11-20 next year and decided to integrate sports, youth, cultural and academic events.

The organizing committee, headed by former Foreign Minister Kim Yong-sik, decided Friday that the festival in 1989 concentrated too much on sports rather than on promoting unity of Korean people around the world, its original purpose. Sports will be slashed while cultural and academic events to boost pride and national identity will get more attention in the second festival.

The sports events will be held at the Olympic Complex in Chamsil, cultural events at the Sejong Cultural Center in downtown Seoul, youth events at the Olympic Youth Hostel, and academic events at the Academy of Korean Studies in Songnam, a satellite city south of Seoul.

Soccer, volleyball, track and field, badminton and traditional sports will be held at Olympic stadium, gymnasiums and a fencing hall in the Olympic complex and participants will stay in hotels in downtown Seoul. Participants in youth events will stay at the Olympic Youth Hostel in Chamsil.

World famous Korean artists will decorate the stage for the cultural festival. Among the artists the committee will invite to contribute are Conductor Chong Myong-hun, musical director of Bastille Opera Company, cellist Chong Myong-hwa, soprano Lyudmilla Nam of the Soviet Union, and the rock group Koreana, who sang the theme song of the 1988 Seoul Olympics.

About 200 Korean scholars, 100 from abroad, will discuss the situation surrounding the Korean peninsula and Korea's past at the Academy of Korean Studies. Some 2,000 Koreans living in 70 countries will be invited to attend the biennial festival, the organizers said.

Japan-Bound Exports Slip by $1 Billion

SK2412051290 Seoul YONHAP in English 0129 GMT 24 Dec 90

[Text] Seoul, Dec. 24 (YONHAP)—South Korean exports to Japan are projected to be more than 1 billion U.S. dollars lower this year than last and the outlook for 1991 is almost as gloomy, the Korea Foreign Trade Association (KFTA) said Monday.

Japan is expected to import 12.4 billion dollars of Korean goods this year, down from 13.46 billion dollars in 1989, according to figures compiled by KFTA's Tokyo office in a survey of 170 Korean firms doing businesses in Japan, excluding construction, shipping and service companies. Exports will be 13.5 billion dollars next year, KFTA said.

The forecast of exports to Japan said 35.3 percent of the surveyed firms believe foodstuffs and textiles will gain ground next year. Other hopeful items included shoes, cement, steel, metal and chemical products as well as consumer electronics.

Especially hopeful were non-oil raw materials and textile products, whose export volumes are expected to increase 22.8 percent and 21.1 percent, respectively.

Improved distribution and quality control will encourage these two particular sectors, the firms anticipated. Only 14 percent of the firms predicted that Japanese consumers will buy more Korean electronics items in 1991, a dire outlook compared to 54.3 percent in the 1988 study and even lower than the 19.4 percent in 1989. More than half of the businesses (62.1 percent) said the Japanese yen, whose growth is considered vital to increasing Korean exports to Japan, will become stronger next year, hovering between 120 yen and 130 yen a dollar.

Explanation Demanded on U.S., USSR Ties

SK2412092090 Seoul YONHAP in English 0756 GMT 24 Dec 90

[Text] Seoul, Dec. 24 (YONHAP)—South Korea's main opposition party has demanded an explanation from the government of recent developments in Korea's relations with the United States and the Soviet Union.

"The government's hurried approach to the Soviet Union is feared to cause frictions with traditional allies such as the United States. Fearful of political instability in the Soviet Union, Western enterprises are pulling out while we are going to strengthen economic cooperation with the Soviet Union through export credits," Kim Tae-sik, spokesman for the Party for Peace and Democracy (PPD), said Monday.

He called on Foreign Minister Choe Ho-chung to explain the state of Korea-Soviet and Korea-U.S. relations to PPD President Kim Tae- chung on Wednesday. Seoul-Moscow ties have progressed rapidly since President No

Tae-u traveled to the Soviet Union a week ago but relations with the United States are in a tailspin because of worsening trade friction.

* Firms Get Most-Favored-Nation Status in USSR

912C0051A Seoul MAEIL KYONGJE SINMUN in Korean 23 Nov 90 p 3

[Article by reporter Kim Chol-su]

[Text] The Treaty for the Prevention of Double Taxation that was signed between South Korea and the USSR on November 23 is considered to be the most favorable one of all the tax treaties that our country has signed with foreign countries to date.

The government expressed its satisfaction by saying that the content of this treaty includes the most proper articles developed by studying 13 similar tax treaties that the USSR signed with other nations, and 36 treaties that South Korea signed with other nations.

The government's satisfaction is also reflected in the earlier-than-originally scheduled closing of this high-level meeting between the two nations.

Both nations started the meeting on 19 November at a conference room of the Finance Ministry here in Seoul, and reached a complete agreement within three days on 21 November.

The content of the 28-article treaty concentrates on providing to Korean industries with ventures in the USSR, tax treatment and protection equal to that provided to the USSR's industries.

The main theme of the treaty is to mutually provide the people and industries with the most-favored-nation status when imposing taxes.

Furthermore, the USSR defined the extent of applying the treaty to the following cases: foreign corporations' income taxes, joint-venture corporations' profit taxes, and private people's income taxes. These three cases will have tax benefits according to the treaty.

According to the treaty, only when a Korean company generates income from a business with an established workplace in the USSR is the company subject to taxation. Therefore, in the event that a Korean company does not produce income, even if the company has an office in the USSR, it is not subject to taxation.

For Korean contruction companies involved in the construction business in the USSR requiring a total construction period of less than 24 months, they are exempt from taxation on the grounds that they are not considered as having an established workplace in the USSR.

The Korean Government succeeded in extending the tax-exempt period with the USSR to one which is twice as long as the longest existing tax-exempt period with other nations, which is 12 months.

It is known that the major factor for a successful extension of the tax-exempt period for construction works is a consideration of the special working environment such as the severely cold weather encountered when developing Siberia.

Moreover, the income from the transportation service to the USSR through such means as Korean airplanes, ships, and railroad is also exempt from being taxed.

The interest income from the loan for the USSR's deferred-payment export funding is tax exempt. The dividend and income from equipment usage that Korean companies earn from the USSR are subject to a tax rate lower than the USSR's domestic tax rate.

The domestic tax rate on the dividend and equipment usage income is 20 percent, but for Korean companies only a five-percent rate is imposed.

In the case of an individual, not a corporation, a 10-percent tax rate is applied for the dividend income.

Furthermore, the following categories are also tax exempt: the salary of Korean employees working for the branch offices of government organizations such as the Bank of Korea, Export-Import Bank of Korea, the Korea Development Bank, and the Korea Trade Promotion Corporation (KOTRA); the income from culture and art exhibitions, and sports games approved by both nations; the income of exchange professors and student stipends; the income of the self-employed, and an earned income of Korean employees working for Korean companies during a stay in the USSR for less than six months.

The government explains that the tax treaty with the USSR is the most favorable one for Korea of any tax treaty signed to date with any other foreign country.

The main reasons for the favorable treaty are our careful efforts and the USSR's emphasis on attracting investments from Korean industries.

It is known that the Soviet delegation approached the meeting with a very congenial attitude, considering the Korean-USSR summit meeting scheduled in the middle of December.

The Soviet Deputy Finance Minister, Rayevskiy, representing the Soviet delegation for the treaty meeting, said in his opening address: "The coincidence of the Soviet treaty delegation being here at the same time as the Soviet Presidential Council delegation—which is here in Seoul for the purpose of extending an invitation to Korean President No Tae-u—has a symbolic meaning."

He also indicated that the occasion will contribute to creating an environment for the mutual cooperation of both nations as well as for the tax treaty itself by saying: "I hope we will understand the two nations' taxation system more thoroughly, and develop a solid friendship through this treaty."

Such a mild attitude on the part of the Soviet Union is assessed to be in contrast to the relatively stiff attitude shown previously at the negotiation for investment protection.

Another factor for the favorable outcome is our thorough preparation for the treaty, since this is the only one that required a National Assembly ratification among the six treaties with the USSR in the area of economic cooperation. Our insufficient understanding of the tax system of the USSR also contributed to the USSR's concession.

* Prospects for Export Industry Said Brighter

912C0041 Seoul CHUNGANG ILBO in Korean
14 Nov 90 p 7

[Article by reporter Kim Chin-hyon: "Weakening U.S. Dollar Against Japanese Yen, Green Light to Export Industry"]

[Text] Due to a favorable foreign exchange rate, the future of the export industry is becoming brighter.

While the exchange rate of the Korean won against the U.S. dollar has become stabilized in the last six months, the U.S. dollar has been falling in value against the Japanese yen in the international monetary market.

The U.S. dollar dropped to 1.4735 German marks at the Tokyo foreign exchange on 13 November, marking the lowest rate since World War II. The U.S. dollar has also fallen steadily against the Japanese yen and it is predicted that the U.S. dollar will fall to the 120 Japanese-yen level next year.

Most experts think that the Japanese yen will keep up its strength throughout next year, possibly breaking its own record since World War II (120.45 Japanese yen against the U.S. dollar). Fear of a weaker Japanese yen, which undermines our export industry, will therefore disappear for the time being. Merrill Lynch of the United States recently predicted the ratio of 110 to 120 Japanese yen against the U.S. dollar in the next six to 12 months. On the other hand, Midland Bank of the United States forecasts 117 Japanese yen against the U.S. dollar by the end of next year.

Lehman Brothers of United States speculates the U.S. dollar will fall to the 110 Japanese-yen level in the beginning of next year. Korea Central Bank, on the other hand, expects the U.S. dollar will reach the 115 to 122 Japanese-yen level in the first half of next year.

To some degree, these speculations are influenced by the U.S. Federal Reserve Bank's short-term monetary policy to lower the prime lending rate. Since the country's foreign exchange rate is a measure of her economic strength, however, these forecasts reflect the general opinion that the U.S. economy is weakening.

Experts in foreign exchange generally agree on a weaker U.S. dollar against the Japanese yen for the future. The opinions on the Korean won against the U.S. dollar for the future, however, are somewhat varied.

Private research groups within as well as outside the country forecast a relatively wide range of 710 to 780 Korean won against the U.S. dollar for the future.

The highest ratio is predicted by Merrill Lynch of the United States. It expects 770 to 780 Korean won against the U.S. dollar by the end of next year.

Both Samsung and Daewoo institutes forecast 740 Korean won and Lucky-Goldstar predicts 750 Korean won against the U.S. dollar.

Wharton Institute (WEFA) of the United States, on the other hand, predicts 716 Korean won, while Citibank of the United States forecasts 710 to 720 Korean won against the U.S. dollar for the future, expecting to maintain about the same ratio as now. Sinhan Research Institute expects the Korean won will fall to the 710 level against the U.S. dollar, showing a slight decrease from the present level.

It must be noted that Citibank's estimate is rather conservative due to its dealings with our industries.

The Korean won is expected to remain relatively stable or rise slightly against the U.S. dollar next year. Since the strength of the Japanese yen will continue to grow next year, the exchange rate of the Japanese yen against the Korean won (100 yen against 558.45 won as of 13 November) will also grow considerably, making the recovery of our export industry easier.

According to Nomura Institute of Japan, every time the value of the Japanese yen increases one percent against the U.S. dollar, the Korean export industry will grow 0.26 percent.

The foreign exchange rate is now becoming more favorable to our export industry. The recovery of our export industry, however, must be based on the competitiveness of our products in the world market. A favorable foreign exchange rate is only a short-term solution to the recovery of our industry.

It must be remembered that several of our industries have experienced a foreign exchange loss amounting to tens of billions of won by hedging in the foreign exchange futures market. Moreover, foreign exchange rates can go through some drastic changes due to international situations such as the Persian Gulf crisis. While a favorable foreign exchange rate can help our export industry, it must also be realized that price destabilization may become our problem at the same time.

A spokesman at Korea Central Bank said: "Although a certain degree of recovery in export is expected due to the strength of the Japanese yen, it will be difficult to regain the level of 1986 to 1988. It is more important to achieve a competitive edge in the export industry by improving our technological skills and quality of products while the Japanese yen keeps up its strength."

Burma

Another NLD Member Joins Dissident Government

BK2512055290 Bangkok THE NATION in English 25 Dec 90 p A2

[Report by Somchit Rungchamratratsami]

[Text] Mae Sot—Another elected member of Burma's National League for Democracy (NLD) has joined the rival government formed recently on the Thai-Burmese border to contest the Rangoon military for legitimacy.

New arrival U Myint Aung was quoted as saying that about 50 more League members, who participated in the secret meetings in Mandalay which endorsed the establishment of a provisional government, are fleeing the Rangoon crackdown and arrests.

Seven elected members of the poll-winning NLD, the Party for National Democracy (PND) and an independent politician last Tuesday formed the National Coalition Government of the Union of Burma at Manerplaw, which is the headquarters of the armed Karen National Union.

An informed student source told THE NATION that Myint Aung arrived at Manerplaw last Tuesday and was given the position of minister of agriculture on Saturday by Dr Sein Win, who is the prime minister.

U Win Ka, an NLD Central Committee member, accompanied Myint Aung to the border area, according to the source.

The source said the rival government is planning to set up a shortwave radio station aimed at Burmese inside the country.

In a press conference last week, Sein Win said the main objectives of his government are to topple the State Law and Order Restoration Council (SLORC) military junta of Gen Saw Maung in Rangoon and to restore democracy in Burma.

Meanwhile, Thai border patrol police have recently ordered the students and the Mon ethnic to relocate their camps in Sangkhla Buri district of Kanchanaburi back into Burma by this Friday December 28th. The order was believed to come after a meeting between senior Thai and Burmese officials last Friday in Sangkhla Buri, according to the students.

More Insurgents Surrender 18-30 Nov

BK2112124690 Rangoon Domestic Service in Burmese 1330 GMT 21 Dec 90

[Text] Members of various insurgent organizations who have come to realize their wrongdoings have been surrendering with assorted weapons and ammunition at various military units. The following surrenders took place between 18 and 30 November:

Southeast Military Command: Private Soe Win from the 10th KNU [Karen National Union] Battalion surrendered at Sagawzon garrison while Pvt. Tun Naing from the First Brigade surrendered with one assault rifle at Papun Garrison. Pvt. Myint Naing from Eastern Salween mobile unit surrendered with one AK-47 assault rifle at Hmawbi garrison. Pvt. Thein Han from the NMSP [New Mon State Party] Headquarters surrendered at Thanbyuzayat garrison while Pvt. Aye Khaing from the 203d ABSDF [All Burma Students Democratic Front] Battalion surrendered at Mergui Garrison and Sein Kyaw Aung, deputy secretary from the 201st Garrison, surrendered with two hand grenades at Kamaukmaung Garrison.

Eastern Military Command: Sai Aung Hla, tax officer from the SURA [Shan United Revoltionary Army], surrendered with .38 revolver at the 64th Frontline Infantry Regiment and Sai San Tun, a school teacher, surrendered at Langhko garrison. Pvt. Yo Nan from the 820th SUA [Shan United Army] Battalion surrendered with an M-21 assault rifle at Mong Pan garrison.

Northern Military Command: Pvt. Maung Htay from the 254th KIA [Kachin Independence Army] Battalion surrendered at Bhamo garrison.

Western Military Command: Than Tun, supplies officer, Maung Maung Tin, platoon commander, and Pvt. Tun Tun Naing from the 901st ABSDF Battalion surrendered at Maungdaw garrison.

Those who surrendered were warmly welcomed by responsible authorities at the garrisons.

Brunei, Malaysia, & Singapore

Malaysia

Kuwaiti Delegation Arrives for Official Visit

BK2412033890 Kuala Lumpur BERNAMA in English 0320 GMT 24 Dec 90

[Text] Kuala Lumpur, Dec 24 (OANA/BERNAMA)—A five-member Kuwaiti People's Congress delegation arrived here Sunday night for a four-day official visit.

The delegation, led by Kuwait City former Mayor Da'ud al-Saleh, was met on arrival by Kuwaiti Ambassador 'Isa al-'Isa and embassy officials.

The delegation will meet senior Malaysian Government officials to discuss the Gulf crisis sparked off by the August 2 invasion of the oil-rich sheikhdom by Iraqi forces.

They are also scheduled to hold dialogues with the Malaysian public, including university students.

Da'ud said their mission was to explain to the rest of the world the Kuwaitis' cause for the return of their sovereignty and that they rejected any form of aggression and intimidation by alien forces.

Da'ud had led the delegation on a similar mission to China, Japan, South Korea and the Philippines before coming here. Their next stop is Singapore.

Ask for Support on UN Resolutions

BK2512090290 Kuala Lumpur International Service in English 0800 GMT 25 Dec 90

[Text] Kuwait has asked Malaysia to continue supporting UN Resolution 678 which allows the use of force to drive the Iraqis out of the emirate. The leader of a five-member Kuwaiti People's Congress delegation, (Da'ud Al-Saleh), said this at a news conference in Kuala Lumpur.

Malaysia is a member of the Security Council which has voted for the resolution. Mr. (Al-Saleh) is the ex-mayor of Kuwait City.

Delegation Reiterates Gulf Stand

BK2612070290 Kuala Lumpur International Service in English 0600 GMT 26 Dec 90

[Text] A five-man Kuwaiti delegation now in the third day of its visit to Malaysia has reiterated that all Iraqi forces must leave Kuwait. Once the emirate is liberated, all foreign forces in the Gulf will have to leave.

The delegation is in Kuala Lumpur to rally support for the liberation of the oil-rich emirate. Its leader, Mr. (Da'ud al-Saleh), an ex-mayor of Kuwait, (?said) this when he presented his paper at the International Affairs seminar organized by the Institute of Strategic and International Studies, ISIS. The seminar was attended by diplomats, senior government officials, businessmen and academicians.

Developed Countries Criticized for Subsidies

BK2212151490 Kuala Lumpur Domestic Service in Malay 1430 GMT 22 Dec 90

[Text] Malaysia today criticized developed countries for their reluctance to scrap subsidies and compete freely in the international market. Foreign Minister Datuk Abu Hassan Omar said that the failure of four years of trade negotiations stemmed from the reluctance of developed countries to scrap subsidies and compete freely in the international market. He said this when delivering a speech at a convocation of the Business Administration School of the California State University at Sacramento. The text of his speech was released in Kuala Lumpur.

According to him, the Uruguay Round of talks on which hope for improving the international trade system is pinned is in disarray as a result of this reluctance. He said that Western countries appeared to have ignored the fact that free trade had succeeded in convincing the East Europeans that it was the only way to progress and prosper. Datuk Abu Hassan said that the failure of the Uruguay Round would speed up the emergence of regional economies and lead to the establishment of trading blocs.

He also renewed Malaysia's call for the United Nations Security Council to seriously consider the Palestinian issue. He said that peace would not exist in West Asia until the basic rights of the Palestinian people were respected.

Commentary Regrets Failure of Paris Talks

BK2612100490 Kuala Lumpur International Service in English 0800 GMT 26 Dec 90

[Station commentary]

[Text] Once more the Cambodian factions have failed to come to an agreement regarding the U.N. peace plan for the country. The talks being held just before the Christmas festive season was a disappointment. Both the French and the Indonesian foreign ministers were forced to use rather stronger language than is usually encountered in diplomatic gatherings to express their viewpoints. The rest of the world will agree with them.

Hun Sen, the leader of the group that claimed to be the present government of Cambodia, in particular, continues to be the target of criticism.

What the U.N. peace plan seeks to do is to prevent another full-scale war inside Cambodia. If the present group likes war to drag on, there is no way by which another civil conflict can be avoided. A U.N. plan and ASEAN efforts all recognize that there are many differences among the four factions. The hub is that instead of resorting to war to settle these differences, it will be possible to employ the time-honored and civilized process of the ballot box. Eventually, it is the people themselves who will have to decide what steps are appropriate for themselves and their country.

The truth is none of the such a claim to be a legitimate government or a party or a part of the coalition has been put through the fair [as heard]. It is easy enough through sheer military force and use of terror to dominate a large section of the people or a territory. That is the Khmer Rouge's tradition. It is equally easy to claim legitimacy because a former power handed over its authority to [words indistinct] faction, such as Hun Sen's position, is a puppet to the Vietnamese.

The U.N. plan places its fate on the people. They have not yet had their chance to record their wishes and it is time that they should do so. The U.N. possesses the machinery to master and deploy a full-scale surveillance and military presence in Cambodia. This is really a golden opportunity for the Cambodian leaders and their people. Never before has all the world superpowers come together and agreed on such a good plan to give new life to a country that has sufferred so much.

If this opportunity is lost, it is doubtful whether Cambodia will emerge as a viable nation. It is significant that the British Government sent its special envoy to Paris to deliver a special communication.

The only ray of hope left is that another meeting will take place in Paris to reconsider the Cambodian issue. What is worrying is that this timetable may have to be postponed or shoved indefinitely if war breaks out in the Gulf region.

The three permanent members of the Security Council will be preoccupied with more serious matters. The ASEAN governments would of course continue to press the Cambodian factions to put aside factionalism and attend statesmenship. This is a matter of great concern to all peoples of ASEAN.

King, Queen Return Home From Thailand

BK2112130090 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 21 Dec 90

[Text] His Majesty Paramount Ruler Sultan Azlan Shah and Her Majesty Queen Tuanku Bainun have safely returned home after paying a five-day official visit to Thailand. Their majesties were greeted upon arrival by Deputy Prime Minister Mr. Ghafar Baba; Culture, Arts, and Tourism Minister Datuk Sabaruddin Chik; and several other dignitaries. His majesty inspected a guard of honor consisting of 107 officers and the rank and file of the 1st Batallion of the Royal Malay Regiment led by Major Ikhmal Isham Haji Abdul Ghani. Several foreign envoys and diplomats also greeted their majesties.

Trade Increase Recorded in Jan-Sep Period

BK2512091090 Kuala Lumpur International Service in English 0600 GMT 25 Dec 90

[Text] Malaysia's leading trading partners continue to be ASEAN, Japan, the United States, and the European Economic Community. Together they account for nearly three-quarters of Malaysia's total trade.

Exports to the ASEAN partners in the January-September period rose to 15.7 billion ringgit from 12.3 billion ringgit previously. Imports rose to 10.2 billion ringgit from 8.3 billion ringgit.

Talks for Swedish Submarines Underway

BK2212110090 Kuala Lumpur International Service in English 0800 GMT 22 Dec 90

[Text] The government is negotiating with Kockums Marine AB of Sweden for the supply of four submarines to the Royal Malaysian Navy, RMN. Defense Minister Datuk Sri Najib Tun Razak confirmed this today. He said, however, the government had not yet decided whether to buy them as it could also consider getting the submarines from other sources.

The defense minister said Ministry Secretary General Datuk Nasaruddin Bahari was in final negotiations with the company. He was commenting on a news report quoting JANE'S Defense Weekly that Malaysia had chosen the Swedish submarines under a contract which would be worth as much as 1.35 billion ringgit.

Cambodia

Phnom Penh SNC Delegates Return From Paris

BK2512051090 Phnom Penh Domestic Service in Cambodian 0430 GMT 25 Dec 90

[Text] The delegation of the State of Cambodia's Supreme National Council [SNC] members led by Comrade Hun Sen, chairman of the State of Cambodia Council of Ministers, which attended the SNC meeting in Paris, France, returned home safely at 1000 this morning.

Welcoming the delegation at Pochentong Airport were Comrade General Bou Thang, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and chief of the General Political Department of the Cambodian People's Armed Forces [CPAF]; Comrade Chea Soth, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers; Comrade Sar Kheng, member of the party Central Committee Political Bureau, chief of the party Central Committee's Cabinet, and chairman of the Central Organization Commission; Comrade Mat Ly, member of the party Central Committee Political Bureau and vice chairman of the party Central Committee's Control Commission; Mrs. Men Sam-an, member of the party Central Committee Political Bureau and chairman of the Cambodian Federation of Trade Unions; Comrade Nguon Nhel, member of the party Central Committee Political Bureau and minister of agriculture; Comrade Ney Pena, member of the party Central Committee Political Bureau and vice chairman of the party Central Committee's Control Commission; Comrade Sim Ka, alternate member of the party Central Committee Political Bureau and secretary of the Phnom Penh Municipal Party Committee; Comrade Lieutenant General Pol Saroeun, alternate member of the party Central Committee Political Bureau, deputy minister of national defense, and chief of the CPAF General Staff; and the comrade members of the party Central Committee, ministers, deputy ministers, department chiefs and deputy chiefs, and a large number of cadres.

Delegation Returns From French Party Congress

BK2512140590 Phnom Penh Domestic Service in Cambodian 1300 GMT 25 Dec 90

[Text] On the morning of 25 December, the delegation of the Kampuchean People's Revolutionary Party [KPRP] headed by Comrade Say Chhum, member of the KPRP Central Committee Political Bureau and standing vice

chairman of the Council of Ministers of the State of Cambodia, returned home safely after attending the congress of the French Communist Party.

Greeting the delegation at Pochentong Airport were Comrade General Bou Thang, member of the KPRP Central Committee Political Bureau, vice chairman of the Council of Ministers, and chief of the General Political Department of the Cambodian People's Armed Forces [CPAF]; Comrade Chea Soth, member of the KPRP Central Committee Political Bureau and vice chairman of the Council of Ministers; Comrade Sar Kheng, member of the KPRP Central Committee Political Bureau, chief of the KPRP Central Committee cabinet, and chairman of the Central Committee Organization Commission; Comrade Mat Ly, member of the KPRP Central Committee Political Bureau and vice chairman of the KPRP Central Committee Control Commission; Comrade Mrs Men Sam-an, member of the KPRP Central Committee Political Bureau and chairman of the Kampuchean Federation of Trade Unions; Comrade Nguon Nhel, member of the KPRP Central Committee Political Bureau and minister of agriculture; Comrade Ney Pena, member of the KPRP Central Committee Political Bureau and vice chairman of the KPRP Central Committee Control Commission; Comrade Sim Ka, alternate member of the KPRP Central Committee Political Bureau and secretary of the Phnom Penh City Party Committee; Comrade Lieutenant General Pol Saroeun, alternate member of the KPRP Central Committee Political Bureau, deputy defense minister, and chief of the General Staff of the CPAF, and several other party Central Committee members, ministers, deputy ministers, directors general, deputy directors general, and cadres.

Heng Samrin Speaks on Settlement Negotiations

BK2612092590 Phnom Penh Domestic Service in Cambodian 0430 GMT 25 Dec 90

[Summary] "On the morning of 24 December, a high-level party-state-front delegation led by Comrade Heng Samrin, general secretary of the Kampuchean People's Revolutionary Party [KPRP] Central Committee and chairman of the State Council of the State of Cambodia, attended a ceremony to plant a pipal tree—a valuable gift from the Repubic of India to the Cambodian Government, Buddhists, and people—in Kompong Chhnang Province so as to enable the local people, masses, and Buddhist devotees to perform their worship there."

Participating in the pipal tree planting rite were Nguon Nhel, member of the KPRP Central Committee Political Bureau and agriculture minister; Chan Phin, member of the KPRP Central Committee and secretary of the party Committee for Central Ministries and Offices; Yos Son, member of the KPRP Central Committee and education minister; Chhay Than, member of the KPRP Central Committee and finance minister; Um Chhunlim, member of the KPRP Central Committee and deputy chef de cabinet of the KPRP Central Committee; Lt. Gen. Ke Kimyan, member of the KPRP Central Committee and first deputy defense minister; So Han, member of the KPRP Central Committee and deputy minister of social affairs and invalids; Maj. Gen. Sin Sen, alternate member of the KPRP Central Committee and deputy interior minister; Daok Narin, Kompong Chhnang Province's party committee secretary; as well as officials and some 20,000 local combatants, policemen, Buddhist monks and followers, people, and students.

Following greetings expressed by the secretary of the province's party committee, Heng Samrin began his speech highlighting the promotion and development of Buddhism in present-day Cambodia and praising "Almighty Buddha to help the Cambodian people to prevail over all manner of enemies so genuine security and peace can be restored to the nation." On the development of the current situation in Cambodia, Heng Samrin said "for nearly 12 years, our party, government, and people have exerted great efforts to surmount all kinds of difficulties and obstacles for the cause of the nation's rebirth. After overthrowing the Pol Pot gang to salvage the nation, religion, and people from the danger of genocide, our new regime has continued struggling to defend national independence and the people's lives and property, and in particular to block the return of the genocidal Pol Pot regime. Along with this, we have painstakingly strived to restore and build with success the socioeconomic structure, which was torn to pieces and crushed by the genocidal Pol Pot regime. The successes have been achieved with our own strength, which includes the great contributions by our cadres, party members, combatants, people, and Buddhist monks and devotees in Kompong Chhnang Province."

"At present, our party and government have tried their best to seek ways to put an end to the war, thereby achieving national reconciliation and lasting peace for the Cambodian people. However, the ending of the war depends on both sides having the same genuine goodwill. Our State of Cambodia has spent a great deal of time and money to travel to negotiations with a view to reaching a political solution to end the war. So far, we have had 15 rounds of talks abroad, including seven meetings with Samdech Sihanouk, and this does not count the current talks in Paris, France being conducted by our delegation led by Comrade Hun Sen. At all forums, our State of Cambodia has at all times maintained our goodwill stance by making significant concessions one after the other, such as the pullout of all Vietnamese troops from Cambodia 15 months before schedule, the handover of power to the United Nations to organize elections and supervise the implementation of all accords, and so on. However, the other Cambodian side continues to shamelessly put forth demands, abusing us both morally and legally and blocking or causing the negotiations process to move backward."

Heng Samrin continued his speech denouncing the Cambodian resistance groups for their destructive activities against social gains achieved by the State of Cambodia and the destruction of the people's property and life. On

the UN's role, Heng Samrin said: "We always welcome a UN role in a political solution to the Cambodian problem, but the United Nations should respect the State of Cambodia's independence and sovereignty in conformity with the UN Charter and the right to self-determination of the Cambodian people by maintaining the political and military status quo in Cambodia prior to general elections, and in particular concrete and specific measures should be taken in order to prevent the return of the genocidal Pol Pot regime. Our Cambodia is a legitimate nation like other nations worldwide, and it used to be a member of the United Nations as well. Our present state authority is a legitimate one elected by the people in 1981. The authority has safeguarded and served the people's interest for 12 years, so when a new government is not yet established via general elections, it can in no way be put under UN auspices. And if a plan goes this way, this will obviously be a gross violation of the objective and provisions of the UN Charter as well as a dangerous precedent for the whole world."

"In the event that a political solution is reached, and Samdech Sihanouk wins in the elections, the real winner would be the Pol Pot clique. This is because Samdech Sihanouk does not have the forces in his hands. Willingly or not, he will have to do whatever the Pol Pot clique wants, as he did in 1975."

In concluding his address, Heng Samrin called on all the people and armed forces to uphold their vigilance against wicked plots and moves of the enemy and effectively take part in the task of defending revolutionary gains and combatting corrupt practices and other negative phenomena in society.

Commentary: UN Must Prevent Khmer Rouge Return

BK2212081790 Phnom Penh Domestic Service in Cambodian 1300 GMT 21 Dec 90

[Station commentary: "A Base Trick of Riding on a Buffalo To Get Through a Muddy Spot"]

[Text] While national and world opinion is seeking ways to expedite settlement of the Cambodian problem via a political solution, the genocidal Pol Pot regime has painstakingly and clamorously called on the Cambodian people to join forces in order to overthrow the State of Cambodia [SOC] by military means. It has continued to sing the same song that Vietnam has shipped troops back to Cambodia. This is for the purpose of disguising its most criminal ruses to return to power so as to continue the policy of exterminating the Cambodian race once and for all.

To achieve its silly ambition, the Polpotist gang has carried out the antiquated trick of riding a buffalo to get through a muddy spot, the same trick it used to win victory in 1975. Everyday, with the clandestine broadcasts of Voice of Democratic Kampuchea and its propaganda in remote areas, the Pol Pot gang has appealed to our people to ignore political tendencies and cooperate with them in order to topple our new regime and reestablish the so-called village, commune, or district national council which represents the true nature of the clique whose hands are stained with the blood of the people during the three years, eight months, and 20 days of their reign of terror.

The Cambodian people still remember well that between 1970 and 1975 the Pol Pot clique already employed this tactic once. They deceived people regardless of their political leanings to take to the bush. However, after reaching their goal they betrayed them, plundered their achievements, painted them as CIA, KGB, and SRV agents, or members of a peace alliance group, then massacred them in the most savage and barbarous manner. What is most serious is that the Pol Pot gang even regarded their parents who had brought them up as their own enemies and slaughered them mercilessly. This ungrateful act prompted our people to rise up against and topple the bloodthirsty murderers on 7 January 1979, bringing about rebirth to the nation.

In 1979 the Pol Pot gang repeatedly claimed that they were able to launch coun[illegible]roffensives against our people. However, when they w[illegible] hopeless of winning victory by themselves, they asked Samdech Sihanouk and Son Sann to join the coalition government on 22 June 1982 in order to mutually overthrow the SOC Government. In 1983, placing their hope on their 18 camps scattering along the Cambodian-Thai border and taking advantage of the crisis at the Thai-Lao border, the Pol Pot gang worked out an ambitious plan to launch military offensives nationwide aimed at taking over the country in 1985. At that time they employed both hands in carrying out guerrilla warfare in Cambodia, meaning they used one hand to cooperate with Sihanoukist and Sonsannian forces in fighting the SOC Government, while employing the other to attack to gradually diminish the forces of Sihanouk and Son Sann. This infuriated Sihanouk and caused him to step down from the presidency of the tripartite coalition a couple of times.

Conspicuously, after their defeat in the 1984-1985 dry season, the Pol Pot gang became hopeless and incited Samdech Sihanouk to call on the SOC Government to hold talks for the purpose of toppling the latter at the negotiating table. However, over three years on the diplomatic battlefield, they were still not able to overthrow the SOC Government. As such, they turned to applying the tactics of riding on a buffalo to wade through a muddy spot by sweet-talking and inducing the Cambodian people to ignore their political tendencies and help them return to power. The Pol Pot group, taking advantage of the ambiguity of the framework document of the five UN Security Council [UNSC] permanent members in specifying the definitive prevention of their regime, has voiced total support for the document and distorted and accused the other people of rejecting the document. Being the real owners of the nation and masters of their own destiny, the Cambodian people have resolutely determined that victim and murderer, like water and oil, can never mix together.

The Pol Pot gang can dupe some groups of power-thirsty people, but they can never deceive and use the Cambodian people as instruments to commit another genocide. National and world opinion have so far clearly realized that the Pol Pot gang is savage and cruel by nature. Even Samdech Sihanouk, its partner, has accidentally disclosed that the belief that the Pol Pot gang in 1990 is different from the same gang at the end of 1970 is a great mistake. That being the case, the Cambodian people wish to earnestly restate that the acceptable political solution to the Cambodian problem is the one that clearly specifies the definitive prevention of the danger of the genocidal Pol Pot regime. In this context, our people would like to call on the five UNSC permanent members to reconsider their draft peace settlement plan, which does not clearly define the vital clause on the Cambodian problem. Even the Khmer Serei Association led by former Gen. Sostene Fernandez [former army commander in chief under Lon Nol regime] announced in Paris, France on 22 December that the UNSC peace plan, which will be presented to the SNC this Friday [21 December], is a kind of amnesty for the Pol Pot gang.

Tie Banh Concerned Over Arms Supply to Rebels

BK2212015790 Bangkok THE NATION in English 22 Dec 90 p A4

[Text] Phnom Penh Defence Minister Gen Tie Banh expressed his concern with Thai officials about reports that Thai officials still allow their country to be used as a conduit of Chinese arms to the Khmer Rouge, sources said yesterday.

The Cambodian minister said his troops recently spotted four Chinese tanks, three of them brand new, driven in a battlefield by Khmer Rouge soldiers. He, however, declined to give the specific location of the battlefield.

The presence of these tanks confirmed intelligence reports from the government in Phnom Penh that China had recently supplied the Khmer Rouge with 24 tanks and a number of 133mm [as received] and 105mm artillery, Tie Banh said.

Tie Banh raised his concern over the Chinese arms supplies with Phansak Winyarat and Kraisak Chunhawan, Prime Minister Chatchai Chunhawan's advisers. The Thai officials were at the Don Muang airport to greet the Phnom Penh delegation which stopped over enroute to Paris on Thursday night, the sources said.

The military hardware could boost the Khmer Rouge's strength on the battlefield to a formidable degree. Previously, the Khmer Rouge, as well as other two non-communist resistance factions, relied mainly on small arms, mortars and recoilless guns.

There were also reports that the Khmer Rouge used the new weapons at Siem Reap and Kompong Thom provinces where the resistance managed to seize and control several district seats.

"I don't understand why the Thai Government still lets this thing happen," the sources quoted Tie Banh as telling the premier's advisers. Tie Banh, however, said the government was still confident they would be able to cope with the military situation during the current dry season. The sources aid Chatchai was also concerned about Thailand's image in the eyes of world community and requested for clarification from the military.

Military leaders, however, confirmed to the premier that Thailand had not been used as a transit point for Chinese arms to the resistance for months, the sources said.

Minister Tie Banh Greets SRV Counterpart

BK2312070690 Phnom Penh Domestic Service in Cambodian 0430 GMT 23 Dec 90

["Congratulatory Message" from Defense Minister General Tie Banh to his Vietnamese counterpart General Le Duc Anh on the 46th founding anniversary of the Vietnamese People's Army; date not given]

[Text] Beloved comrade minister: On behalf of the Defense Ministry and the cadres and combatants of the Cambodian People's Armed Forces and in my own name, I am extremely delighted to join you in commemorating the 46th founding anniversary of historical significance of the Vietnamese People's Army [VPA].

Over the past 46 years, under the clear-sighted and intelligent leadership of the Communist Party of Vietnam [CPV], the heroic Vietnamese people and VPA have been struggling to surmount all manner of difficulties and obstacles and making all kinds of sacrifices for the cause of national liberation, unity, and rebuilding the country toward socialism. Adhering to the commendable internationalist proletarian spirit, the Vietnamese people and VPA have afterward sacrificed their blood and flesh for the liberation of the Cambodian people and motherland from the grasp and danger of the genocidal Pol Pot regime. This is a praiseworthy deed that the Cambodian people will be grateful to and remember forever.

We would like to extol every great success achieved by the Vietnamese people and army in the past and wish to learn their heroism and courage.

May the relations of friendship and solidarity between our two peoples and armies continue to strengthen and develop eternally.

Availing myself of this opportunity, I wish you and the cadres and combatants of the brotherly VPA good health, zealous physical strength, and every success in the implementation of the task entrusted by the party and people.

Comrade, please, accept my sincere regards.

Deputy Defense Minister Visits Takeo Province

BK2412145890 Phnom Penh Domestic Service in Cambodian 1200 GMT 24 Dec 90

[Text] After successfully completing his works in the logistical, financial, and technical fields and his task of improving the living conditions of the armed forces in Banteay Meanchey and Battambang Provinces, Comrade Lieutenant General Nhim Vanda, member of the party Central Committee, trade minister, deputy defense minister, and chief of the General Logistics Department, recently led a delegation to visit Takeo Province.

During his two-day stay in Takeo, apart from presiding over a meeting to review purchasing activities of the province, Comrade Lt. Gen. Nhim Vanda, accompanied by his aides, visited the provincial military training school and met with new volunteer combatants in Tram Kak District.

Everywhere, after enquiring about the situation, the problems, and the living conditions in the province, Comrade Lt. Gen. Nhim Vanda conveyed greetings from the party and state to the people. He praised our cadres and combatants there for their past achievements and urged them, at the time when the enemies continue to destroy our nation's survival and social gains, to further strengthen and develop the determination to fight and crush them until they become incapable of carrying out their activities. This is to safeguard safety and tranquillity for the people and motherland.

During his visit, Comrade Lt. Gen. Nhim Vanda handed over a vehicle, a donation from the Ministry of Defense, and some other gifts to the provincial military training school.

Commentary Denies Claim of SRV Troop Presence

BK2512123590 Phnom Penh Domestic Service in Cambodian 1300 GMT 24 Dec 90

[Station commentary: "A Threadbare Pretext"]

[Text] Recently, as the Supreme National Council members were meeting in Paris, the Pol Pot gang unearthed and hawked around a threadbare pretext long forgotten by the general public. They made a ballyhoo about the so-called Vietnam's sending troops back to Cambodia in an attempt to disturb the process of the search for a political solution to the Cambodian problem. What is most despicable is that in order to make people believe their deception, the Polpotists even produced detailed numbers of Vietnamese troops and the dates on which these troops were said to be streaming back into Cambodia, as if they themselves were in possession of the registry book. If one were to believe these figures, on the Cambodian battlefield today there would be only Vietnamese troops and the Polpotist, Sereika [Sonsannians], and Moulinaka [Sikhanoukists] remnants. In other words, there would be not even a single soldier of the Cambodian People's Armed Forces [CPAF].

The truth is, everybody knows that the last unit of the Vietnamese volunteer army has completely pulled out of Cambodia since 26 September 1989. This fact has been recognized by world public opinion, including the U.S. Defense Department.

Over the past year, the defensive duty to prevent the return of the genocidal Pol Pot regime has been fully assumed by the CPAF. Everybody knows that on 30 September 1989 when the Cambodian people were celebrating their traditional All Saints Day, taking advantage of the absence of Vietnamese troops in Cambodia, the Polpotists and their allies launched a large-scale offensive to capture some territories that they had failed to capture over the previous 11 years. However, this senseless ambition was shamefully smashed by the three categories of the CPAF—namely, the regular, regional, and militia forces.

Ever since that time, in order to vindicate their humiliation, the Polpotists and their allies have repeatedly blurted out that there are Vietnamese troops on the Cambodian battlefield. In some instances, they went as far as to boast that they had captured some Vietnamese troops on the Cambodian battlefield. But these claims were rejected by both national and international opinion, including the Thai Foreign Ministry.

Moreover, they have invented the story of the so-called million plus Vietnamese colonial settlers living in Cambodia with Cambodian wives or husbands, and so on.

Briefly, over the past year, the Polpotists and their allies have been trying to draw a snake with legs by painting Cambodians as Vietnamese and coloring the CPAF—the sons of the people—into Vietnamese troops. This is an old habit of a group of individuals who used to paint the people into red, green, white, or pink or into CIA, KGB, spies, or agents of this or that person in order to have the pretext to kill the people. Most of us still remember that for 12 years Vietnam had been the only major pretext used by the Polpotists and their allies to cover up their perfidious design to return to Cambodia and resume the slaughter of the Cambodian people. However, after 26 September 1989 when Vietnam completely pulled out of Cambodia, they no longer have any pretext to cover up their design. For this reason, they and the countries that backed them rejected the invitation made to them by the State of Cambodia and Vietnam to come and witness the withdrawal of the Vietnamese volunteer troops from Cambodia because they were most afraid of the truth.

Since then, the Polpotists and their allies have repeatedly made a hoopla about Vietnam leaving troops behind in Cambodia, Vietnam disguising troops as CPAF, Vietnam sending fresh troops back to Cambodia, and so on, in an attempt to create a pretext to fool national and international opinion. If they did not use this method, what other pretext would they have in order to serve their war ambition and to topple the State of Cambodia?

Therefore, no one is surprised by or cares about the repetitious claims about Vietnam sending troops back to Cambodia.

The VIETNAM NEWS AGENCY was authorized by the Vietnamese Government to deny this charge over and over again. As for us, the State of Cambodia, we have on many occasions proposed that the Paris International Conference send teams to verify the matter. But the Cambodians on the other side have always rejected this proposal because they are afraid that their strategem will be exposed.

Claude Cheysson, former French foreign minister and head of the European Parliament delegation that recently visited Cambodia, also rejected this groundless rumor.

672 'Misled People' Returned to Province in 1990

BK2612064090 Phnom Penh SPK in English 0420 GMT 26 Dec 90

[Text] Phnom Penh SPK December 26—In 1990, 672 misled people broke their ranks and reported themselves to the revolutionary authorities in Kompong Thom Province, 150 km north of Phnom Penh.

The returnees, who brought along 302 assorted guns, included 390 ex-Polpotists, 238 ex-Sihanoukists and 44 ex-Sonsannians.

Last year, the province received 848 misguided people with 471 firearms and a quantity of other war means.

Ieng Muli Calls Paris Meet 'Very Satisfactory'

BK2512092590 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 24 Dec 90

[Station editor's interview with Ieng Muli, secretary general of the Khmer People's National Liberation Front and member of the Supreme National Council of Cambodia; date not given—recorded]

[Summary] [Editor] The Paris meeting ended after two days of work. It was attended by the cochairmen of the Paris International Conference on Cambodia, the UN deputy secretary general, and the 12 members of the Supreme National Council of Cambodia [SNC]. After the meeting, French Foreign Minister Roland Dumas said the meeting was satisfactory and that it had taken a step toward a comprehensive solution to the Cambodia problem. Since you are a member of the SNC and just returning from the meeting, please tell our people in Cambodia of the outcome of this meeting.

[Ieng Muli] Thank you. My greetings to the Cambodian people and respect to the Buddhist clergy. I would like to inform you of the meeting in Paris which ended at 0100 on 23 December. As you know, this meeting was held at the invitation of the cochairmen, namely French Foreign Minister Roland Dumas and Indonesian Foreign Minister Ali Alatas. The 12 SNC members were invited to study the document adopted by the big five on 26 November.

The three resistance factions fully supported the 26 November document. However, some members from Phnom Penh raised several questions, asking the cochairmen and the UN deputy secretary general for an explanation. "I would like to inform all venerable monks and all our compatriots inside the country that the peace process has now passed from the old stage in which we were worried about whether the war would continue, whether fighting would cease, and whether there could be a peace accord, to a stage in which all of the 12 members reiterated their unreserved support for the principles, the peace plan presented by the five UN Security Council members as contained in the 28 August 1990 document.

"Besides, all of us did not reject the content of the 26 November 1990, meaning that all of us accepted the main aspects, the major points of the document. Although a number of questions still needed further discussion, the most important point was that all 12 of us have agreed to ask the two cochairmen of the Paris conference to immediately set up a coordinating committee assigned to the function of drafting a peace plan to be submitted to the international conference for final discussion. After the coordinating committee has worked out the plan, the cochairmen would reconvene the Paris conference. This Paris conference will determine when the United Nations will go to Cambodia, when there will be a cease-fire, and when elections will be held."

This is what we have wanted. As Roland Dumas said, this is a very satisfactory result. We hope that this will bring peace to our country although there are still more talks to hold. In the coordinating committee's work, other countries will join the meeting such as the participants of last year's Paris conference. It was not certain in the past, but now it is. "All 12 of us have unreservedly recognized the document, the peace plan presented by the big five. If we Cambodians did not recognize the document, the big five would not be able to set up a coordinating committee; without such a coordinating committee there would be no Paris conference; without the Paris conference there would be no cease-fire; without a cease-fire the United Nations would not come to Cambodia; and without the presence of the United Nations we would not know whether we could go back to Cambodia or not, especially we would not know whether we would have elections or not. Without the session of the coordinating committee, peace cannot take place in Cambodia.

"Therefore, this was a very important step, for the big powers said that if we Cambodians did not accept the document, they would wash their hands of the issue. You

know the big powers are now so busy with major international issues, such as those in the Middle East, namely Kuwait and Iraq."

I personally would like to express satisfaction with the outcome of the meeting despite the exhausting work. It was a great thing we did not reject the document and we agreed to appeal to the two cochairmen to convene the coordinating committee so that it can work out a peace plan that would bring us the reconvening of the Paris conference, the last stage of the process toward peace in Cambodia.

[Editor] The 12 SNC members have already accepted the peace plan of the big five and the coordinating committee will meet, which is part of the Paris Conference on Cambodia...

[Ieng Muli interrupts] "Let me clarify that all 12 SNC members [words indistinct], but on the resistance side, we fully accepted."

[Editor] Thank you. My question is, what was the most important and difficult point that made the meeting last until the early hours of 23 December?

[Ieng Muli] What prolonged the meeting were the questions of Cambodia's national sovereignty and the UN role. The Phnom Penh side posed these questions to the United Nations and received a clear explanation as contained in the unofficial document distributed to all SNC members. "Whether they agreed with them or not, we hoped that these two questions would be discussed again at the coming session of the coordinating committee. When will this coordinating committee meet?" According to normal procedure, following the success of the meeting, the two cochairmen, namely the French and Indonesian foreign ministers, must inform other members of the Paris International Conference on Cambodia of the outcome and as French cochairman Roland Dumas told the press the meeting may be held any day during the first quarter of 1991.

Radio Reports Khieu Samphan Statement in Paris

BK2512113190 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 23 Dec 90

["Statement by His Excellency Khieu Samphan at 21 December Paris meeting"—read by announcer]

[Text] At the Paris meeting which was attended by the 12 members of the Supreme National Council [SNC] from the four Cambodian parties, the Paris conference cochairmen, and special envoy of the UN secretary general, His Excellency Khieu Samphan, Cambodian vice president in charge of foreign affairs and head of the Democratic Kampuchean [DK] party, made a statement on the Democratic Kampuchean side's unreserved and full support for the framework document of the five big powers. The Voice of the National Army of Democratic Kampuchea would like to present the text of this statement as follows:

Your Excellencies, the cochairmen and the special envoy of the UN secretary general, Your Highness, gentlemen:

On behalf of the DK party, I am honored and happy to express to His Excellency Roland Dumas, French foreign minister, and His Excellency Ali Alatas, Indonesian foreign minister, who are the cochairmen of the Paris International Conference on Cambodia [PICC], our deepest thanks and warmest admiration for inviting us to attend this meeting.

As the cochairmen of the PICC, the two excellencies have made admirable, great efforts in the search for a comprehensive, fair, and permanent political solution to the conflict in Cambodia which was caused by Vietnam and has dragged on for 12 years now.

It is thanks to the excellent efforts and the close cooperation between the two excellencies as well as between the two excellencies and His Excellency Ahmed Raffiudin, special envoy of the UN secretary general, that the five permanent members of the UN Security Council [UNSC], after working arduously for eight months, historically adopted, on 28 August 1990, a framework document for settling the Cambodian problem comprehensively through political means.

During all these work processes, the DK party has all along expressed its firm support for and sincere encouragement to the five UNSC permanent members and the UN secretary general.

On 29 August 1990, that is one day after this framework document was adopted by the five UNSC permanent members, the DK party officially declared that it fully accepted this framework document of the five big powers as a basis for solving the Cambodian problem.

On 10 September 1990 in Jakarta, the DK party solemnly reiterated this stance in a joint statement approved by the four Cambodian parties.

Today again, right in front of your excellencies, the cochairmen, on behalf of the DK party, I would like to solemnly declare that we unreservedly accept this framework document of the five big powers as a basis for solving the Cambodian problem.

It is in line with this stance that we welcome, with great satisfaction, the Resolution No. 668/1990 which was unanimously adopted by the UNSC on 20 September 1990 and the Resolution No. 45/3 which was approved without vote on 15 October 1990 by the UN General Assembly.

All these important resolutions which will be inscribed in Cambodia's history clearly show how much the world community cherish peace, justice, and freedom. These documents are also clear proof of the dynamism and the vitality of the principles of the UN Charter.

We have kept a close watch on the PICC working group's meeting held in Jakarta on 9 and 10 November 1990 and joyfully accepted the draft of the comprehensive political resolution of the Cambodian problem which was elaborated on the basis of the framework document dated 28 August 1990. This resolution was approved through a consensus by the big five and the PICC cochairmen in front of the UN secretary general's representative on 26 November 1990.

A while ago, His Excellency Roland Dumas, on behalf of the two cochairmen and in line with the communique issued by the big five and the two cochairmen on 26 November 1990, asked us to comment on this document. Therefore, I am honored to once again solemnly express, at this meeting, our support for the framework document and the draft comprehensive political solution to the Cambodian problem and our readiness to give our full cooperation to the UN Transitional Authority in Cambodia [UNTAC] in implementing these documents.

These documents provide the only way for solving the Cambodian problem comprehensively, fairly, and permanently through political means.

We are convinced that the acceptance of these documents and the sincere implementation of them by all conflicting parties in Cambodia with the support and assistance of the United Nations and the international community, will enable Cambodia to regain peace with independence, sovereignty, neutrality, and territorial integrity, and the Cambodian people to exercise their right to self-determination. For this reason, these two documents are aimed at providing necessary guarantees for:

The withdrawal of all categories of foreign troops from Cambodia together with their weapons, ammunition, and war materiel, and their non-return to Cambodia after the withdrawal;

The national reconciliation of all our compatriots;

The creation of an essentially neutral political atmosphere for a free and correct election which will enable our people to freely choose their own future;

The maintenance of security and orderliness in Cambodia with, on the one hand, the presence of the UN Peacekeeping Force and, on the other hand, the stationing and disarming of the armed forces of all Cambodian parties in various garrisons especially arranged by the UNTAC;

The respect for the independence, sovereignty, neutrality, national unity, and territorial integrity of Cambodia through the termination of all the treaties and agreements which are not in line with all the above-mentioned conditions.

The Jakarta joint communique issued on 10 September 1990 constitutes an important step toward a comprehensive political agreement. That is, in this communique, all Cambodian parties fully accepted the framework document of the big five. But, it is regrettable that since then Vietnam and the Phnom Penh party have openly rejected the basic principles of this framework document of the five big powers through their successive statements, particularly through the statement made by Vietnamese Foreign Minister Nguyen Co Thach on 4 October 1990 at the 45th UN General Assembly, Vietnam's memorandum dated 7 November 1990, Nguyen Co Thach's interview on 10 December 1990, and lately through the statement carried by Hanoi radio on 25 November.

This shows that they have:

1. Totally rejected the principle of giving the United Nations an extensive role in solving the Cambodian problem;

2. Totally rejected the principle that the Cambodian problem must be resolved comprehensively and in all its aspects based on the framework document dated 28 August 1990;

3. Rejected the dispatch of the UN Peacekeeping Force to Cambodia;

4. Rejected the role and true nature of the SNC as the sole legitimate organization and source of power in Cambodia;

5. Lately, opposed the garrisoning of the armed forces of all Cambodian parties and the disarming and dismantling of these armed forces.

To effectively carry on the peace process in Cambodia, we are compelled to propose, through your excellencies, that Vietnam and the Phnom Penh party clearly and unfeignedly declare their stance regarding the following points:

1. Will they or will they not accept the entire framework document dated 28 August 1990 as a basis for solving the Cambodian problem as proposed by the five big powers?

2. Will they or will they not accept the extensive role of the United Nations in implementing the comprehensive political agreement in Cambodia? Particularly: 1) Will they or will they not agree to let the United Nations supervise and verify the cease-fire, the withdrawal of all categories of foreign troops from Cambodia, including the advisers, military personnel, arms, ammunition, and war materiel, and their non-return to Cambodia? 2) Will they or will they not accept the presence of the UN Peacekeeping Force in Cambodia in order to implement the various aspects of peace-keeping in line with the comprehensive political solution? 3) Will they or will they not agree to let the United Nations ensure a neutrally political atmosphere in Cambodia as emphasized by the big five? And in that case, the UNTAC will supervise and directly administer the various government ministries and administrative offices which might have direct influence on the results of the election, particularly the foreign, defense, finance, public security,

and information ministries; and the UNTAC must be given all necessary powers for ensuring the implementation of the comprehensive political agreement, including the arrangement of a free and correct election and all aspects of the various administrations concerned in Cambodia.

3. Will they or will they not accept the gathering of the armed forces of all Cambodian parties in camps especially set up under the supervision of the UNTAC so as to disarm and finally dismantle them?

4. Will they or will they not accept the authority of the SNC as the sole legitimate organization and source of power in Cambodia and as a symbol of independence, sovereignty, and national unity of Cambodia during the transitional period?

We have the right to receive clear answers to all these questions.

This matter involves not only the success of the excellent efforts made by the five UNSC permanent members, PICC, and the international community, but also the fate of Cambodia and its people.

If Vietnam and the Phnom Penh party continue adhering to their above-mentioned stance, how can Cambodia's security be ensured? There is no need to talk about the promotion of a politically neutral atmosphere. This is because there has never been any guarantee for the withdrawal of all categories of the Vietnamese troops from Cambodia.

What can be done to ensure that one party will not use its armed forces to oppress or encroach upon the other parties?

How can we ensure that the Cambodian people will be free from all forms of oppression by the Vietnamese armed forces mingling in the Phnom Penh army and the administrative organizations of the Phnom Penh party? Under such conditions, what can we do to enable our people to achieve their right to self-determination? Under such a condition, there can also be no guarantee for the respect for Cambodia's independence, sovereignty, and territorial integrity. In such a case, the war will go on and may turn Cambodia into another Lebanon.

This is with the exception of the current situation on the battlefield where Vietnam has kept sending fresh troops to Cambodia in an attempt to destroy the framework document of the big five.

Messrs. cochairmen: We totally agree with the UN secretary general who stated in his report to the 45th UN General Assembly on 16 September 1990 that unreserved support and cooperation from all parties directly or indirectly concerned in the tragic conflict in Cambodia are needed for the implementation of the peace plan in Cambodia within the framework of the big five's basic document.

The end to the Vietnamese war in Cambodia and to the untold misery that this war has sowed on the Cambodian people depends on Vietnam's and the Phnom Penh party's policy and willingness to accept a comprehensive political solution based on the framework document dated 28 August 1990 and the detailed draft document on this solution dated 26 November 1990.

Before conclusion, I would like to express, on behalf of my delegation, our deep thanks to the government of the French Republic for arranging this important meeting and our stay in the famous Paris capital. Thank you.

VONADK Reports Paris Conference Communique

BK2612023490 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 25 Dec 90

[Text] The following is the final communique of the Cambodian Supreme National Council's [SNC] meeting held in Paris on 21 and 22 December 1990:

The cochairmen of the Paris Conference on Cambodia [PCC], Mr. Roland Dumas and Mr. Ali Alatas, convened a meeting of the SNC in Paris on 21 and 22 December 1990. Mr. Rafeeuddin Ahmed, representative of the UN secretary general, was also present.

The cochairmen formally presented to the SNC members a draft agreement on a comprehensive political settlement as prepared by the two PCC cochairmen and the permanent members of the UN Security Council [UNSC] on 26 November 1990. The SNC members then expressed their views on this draft agreement.

Upon the request from the SNC members, an informal explanatory note concerning certain provisions in this document was provided.

In the course of the discussions, the SNC members reiterated their support for the framework document formulated by the five UNSC permanent members as a basis for resolving the Cambodian problem.

Concerning the draft agreement dated 26 November 1990, the SNC members reached agreement on most of its fundamental points. The remaining questions would be further discussed among members of the Coordinating Committee and the SNC.

Taking into account the views of the SNC members, it was agreed that this draft agreement and explanatory note would be presented to the PCC Coordinating Committee which will reconvene at an early date.

The two cochairmen, the 12 members of the SNC, and the representative of the UN secretary general agreed that for the PCC to reconvene in an atmosphere propitious to national reconcilation, one essential condition would be for all Cambodian parties to exercise genuine restraint on the battlefield.

Editorial Marks SRV Invasion Anniversary

BK2612100890 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 24 Dec 90

[Station editorial: "It is Imperative To Recall the 25 December Tragic Events as an Incentive for Rallying Our Great National United Forces To Attack the Vietnamese Aggressors and Accelerate the Political Settlement of the Cambodian Problem in Line With the Five-Chapter Document of the Five Permanent Members of the UN Security Council"]

[Text] Today, 25 December 1990, is the 12th anniversary of the Hanoi authorities' invasion into our Cambodia.

It was on this day 12 years ago that the over 250,000 Vietnamese aggressor troops, fully equipped with arms, tanks, armored personnel carriers, and thousands of artillery pieces, barbarously and cruelly launched a multi-pronged onslaught into our country, coming from the dragon's tail in the northeastern region to Kampot Province in the southwestern part of Cambodia, in an attempt to smash the Cambodian national army, intimidate our patriotic Cambodian people, and annex Cambodia with a single stroke in line with their blitzkrieg strategy.

It was because of those criminal aims and purposes that when they stormed into Cambodia, the Vietnamese aggressor troops killed our Cambodian people indiscriminately by strafing them with machine guns of all calibers, cannonading them, and running over them with tanks and armored cars, killing thousands and even tens of thousands of our Cambodian people, young and old and male and female alike, in each area that they reached. The dead bodies of our people were scattered all over the roads, rice fields, townships, and villages. Houses and villages were strafed, shelled, and burned down—turning them into heaps of ashes—by the Vietnamese troops. Millions of our people together with their children fled in disarray, like a herd of frightened oxen, into mountainous and forested areas in order to avoid being massacred by the Vietnamese aggressor troops. However, hundreds of thousands of them were chased and killed by those Vietnamese aggressor troops.

Within only a brief span of this Vietnamese onslaught on Cambodia, millions of our people were killed while millions of others have become refugees or homeless persons leading a miserable life in neighboring countries and the mountainous and forested areas.

These are the tragic events of 25 December that our nation and people keep in mind with great bitterness.

We recall these events as a reminder so that we will always remember whether the Hanoi Vietnamese enemies are the saints who saved Cambodia or the arch-criminals who massacred our people and exterminated our race and whether the Vietnamese-installed Phnom Penh puppets are the saviors of Cambodia or the traitors who joined hands with the Vietnamese in exterminating our Cambodian nation and race.

We know them well and remember them with great animosity. We have been turning this great rancor and tragedy into great national united forces—regardless of our colors, white, black, blue, or red—for jointly attacking the Vietnamese aggressors and the traitorous puppets in order to liberate our nation and race.

During the past 12 years, with the support and assistance of the majority of peace- and justice-loving people and countries around the world, our people's great national united forces have frustrated the Vietnamese aggressors' barbarous and cruel acts relying on the use of brute force, causing most shameful defeat to them and protecting and maintaining our nation and race until today.

At present, following the arduous struggle of our people and our Cambodian national resistance forces with the support and assistance of the world people, the Vietnamese aggressors have plunged into the following situation:

1. On the military field, they have reached a total impasse and lost the initiative. They are heading toward eventual defeat.

2. In the international arena, the whole world people, particularly the big five in the UN Security Council, are pressuring Vietnam and its puppet-lackeys to end their war of aggression in Cambodia comprehensively and politically in line with the framework document of the five UN Security Council permanent members, the Jakarta document, UN Security Council Resolution No. 668/1990, and the detailed document dated 26 November 1990 of the five UN Security Council permanent members and the Paris International Conference on Cambodia. The Vietnamese enemies will never succeed in their attempt to avoid such a solution.

3. In Vietnam, the Vietnamese economy has continued to deteriorate beyond remedy. The Vietnamese people have had a more difficult life and have lost their faith in the leadership of the current Hanoi leaders. More Vietnamese people have supported the resistance forces in their struggle to topple the bellicose dictators in Hanoi. The internal rift among the Hanoi leaders has continued to widen to the point that it has been revealed publicly.

As for the Soviet Union, which is the financier of the Vietnamese aggression against Cambodia and has been implementing a policy of aggression and expansion for the past several decades, it is also facing serious crises, politically, economically, and socially. It has also become a beggar for world aid. Therefore, the Soviet Union is no longer a strong prop for Vietnam in its war of aggression against Cambodia.

In such a situation, how much longer can the aggressor Hanoi authorities and their puppets hold out? Not very long. They will certainly be compelled to settle their war

of aggression in Cambodia in accordance with the framework document of the five permanent members of the UN Security Council, the Jakarta document, UN Security Council Resolution No. 668/1990, and the draft document for settling the Cambodian problem dated 26 November 1990.

Therefore, the light of our national liberation can be seen more clearly now.

We pledge to jointly make every effort in order to speed up the settlement of the Cambodian problem so as to quickly bring peace, independence, and sovereignty back to our nation and people.

In conclusion, we would like to bow our heads and pay our most sincere homage to the souls of millions of our people, male and female youths, and boys and girls who lost their lives because of this Vietnamese war of aggression against Cambodia.

We pray for their souls to rest in peace eternally.

Long live the great national united forces fighting the Vietnamese aggressors and their lackeys—the traitorous puppets—for national liberation!

Down with the Vietnamese aggressors and the traitorous puppets, Vietnamese lackeys!

VONADK: 200 SRV Troops Sent to Mondolkiri

BK2512030290 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 24 Dec 90

[Text] According to our Cambodian national resistance forces launching activities in Mondolkiri Province, on 3 December the aggressor Hanoi authorities sent 200 fresh troops from Vietnam to the Mondolkiri provincial seat. These Vietnamese troops wear Vietnamese Army uniforms.

Indonesia

Alatas Returns From Talks, Briefs Journalists

BK2412153390 Jakarta Domestic Service in Indonesian 1500 GMT 24 Dec 90

[Text] Foreign Minister Ali Alatas says there is still a chance to solve the Cambodian problem after all 12 members of the Cambodian Supreme National Council [SNC] agree to the main points of a peace plan proposed by Indonesia and France, the co-chairmen of the Paris conference.

Minister Alatas said this to journalists upon arrival at Jakarta's Sukarno-Hatta Airport from Paris this evening, adding that the peace plan on Cambodia, which earlier raised doubts and caused misintrepretation, was later accepted by all 12 SNC members, who also agreed to hold further talks at coordinating committee level in Paris in January. If the coming talks produce an agreement, then a ministerial-level meeting will be held with a view to ratifying the agreement. For this reason, Minister Alatas regretted reports saying that the Paris meeting had resulted in a deadlock. As for the issue of SNC chairman and vice chairman, he admitted that SNC members were not yet interested in discussing the matter.

[Begin Alatas recording] As for the issue of the SNC chairman and vice chairman, about which I earlier stressed repeatedly that [words indistinct], it turned out that the issue was not discussed because there was no enthusiasm on the part of the SNC members to settle the issue. [end recording]

Replying to journalists on Indonesia's stand on the Middle East situation, Minister Alatas said he was very concerned over the fact that the prospects for finding a peaceful solution to the conflict are becoming dimmer, whereas the chances for war are growing larger.

Suharto on Acceptance of Private Investment

BK2012142690 Jakarta ANTARA in English 1005 GMT 20 Dec 90

[Text] Cilacap (West Java), Dec 20 (OANA-ANTARA)— President Suharto has said again that Indonesia does not need to hesitate accepting private capital investment for the purpose of processing its natural wealth. The president made the statement when he inaugurated the country's first paraxylene processing plant here on Thursday. Along with the petrochemical plant, the head of state also commissioned the newly completed Sidareja-Cihaur irrigation system in the area.

So far, according to the president, the development of the country's oil and natural gas processing industry has been tackled by the government. Now it is time for the private sector to also take part in the effort as the private sector's capacity has grown bigger.

We need not hesitate to use private capital for the processing of our natural resources as long as the purpose is to enhance the welfare of the people, the president said. The nation also need not hesitate to use foreign capital to advantage as long as it is still needed to complement domestic capital, he added.

The challenges of development faced by the nation have grown big and very complex so that all potentials, openings and opportunities should be exploited to the benefit of the economy, the president said.

The paraxylene plant has a production capacity of 270,000 tons of paraxylene, 120,000 tons of benzene and 92,000 tons of raffinate per year. The president described the plant as a vital chain in the national industry, particularly the country's textile industry. The reason is that almost all of the raw materials needed by

the textile industry are still imported because the country still does not produce enough cotton or any other natural fibres as the raw materials.

As an alternative to cotton as natural fibre, however, Indonesia could produce synthetic fibres. This paraxylene plant will produce the basic material for the production of synthetic fibres. For that reason this paraxylene project is a strategic one in the development of the national industry, the president said.

In addition to the plant in Cilacap, another petrochemical plant will also be built in Lhokseumawe, Aceh, to produce aromatic products including paraxylene, for the fulfilment of domestic need as well as for export, the president said.

Referring to the Sidareja-Cihaur irrigation system, the president noted that it will distribute water to 20,000 hectares of paddyfields through the whole year. The irrigation system will support the nation's program to maintain self-sufficiency in food as it will enable the farmers to increase their rice production.

In addition it will support the local administration's effort to control flood, to create road networks and provide new supply of safe drinking water. As a whole, it will dynamize economic activities in the southern part of central and west Java, the president said.

OPEC's Subroto Briefs Suharto on Activities

BK2612105090 Jakarta Domestic Service in Indonesian 0700 GMT 26 Dec 90

[Text] Subroto, former mining and energy minister and current secretary general of OPEC, paid a courtesy call on President Suharto at the president's Cendana Road residence in Jakarta this morning. Speaking to journalists later, Subroto reported to the president on his plan to return to his office in Vienna on 30 December.

Subroto said he had to make a lot of preparations related to the follow-up of a recent OPEC ministerial meeting in Vienna, including the establishment of a joint OPEC and non-OPEC cooperation committee, and a meeting of the OPEC monitoring committee on 11 March 1991 with a view to strengthening various resolutions adopted by all OPEC members.

Forestry Minister Speaks on EC Timber Boycott

BK2412105190 Jakarta ANTARA in English 0916 GMT 24 Dec 90

[Text] Bogor (West Java), Dec 24 (OANA-ANTARA)—Forestry Minister Hasrul Harahap had pointed out that the European Parliament had recently submitted a resolution to boycott timber products from tropical forest countries which they believed were not implementing sustainable forest development.

Although there is still doubt about its political power to put pressure on the respective countries in Europe, the resolution will no doubt influence (European) public opinion, the forestry minister said in a press interview, after a tree-planting ceremony in the framework of the 1990 afforestation drive at Ciomas village, Parung Panjang sub-district in Bogor District, on Sunday [23 December].

The afforestation drive which was attended by some 500 youths from forestry family circles, was a follow-up of similar activities carried out in December 1989 and July in 1990 on an area of 200 hectares.

These afforestation activities were related to efforts in developing apiculture, so that the planted trees should belong to varieties able to produce bee food, such as kapok, "kaliandra", jambu air, and melinjo trees.

According to Minister Hasrul Harahap, Sarawak in East Malaysia was one of the regions which had been hit by the European Parliament's boycott, because they were of the opinion that Sarawak had failed to conduct sustainable forest development.

For Indonesia in particular, critics came from non-governmental organizations which wanted Indonesia to stop natural forest felling completely. However, Indonesia has explained that the idea was unacceptable, because we only fell commercial timber trees, using the "selected felling system" and replant the areas where trees have been felled, he said, adding that felling is allowed only in production forests, and forbidding it completely in protected forests and natural conservations.

According to the minister, forest development in Indonesia had indeed still many shortcomings, but efforts had been carried out untiringly for further improvement through the support of all parties, particularly from forest concessionaires who had already obtained substantial profits from forest exploitation.

Official Dispels Rumors of Troubled Institutions

BK2412140190 Jakarta ANTARA in Indonesian 0803 GMT 24 Dec 90

[Excerpt] Jakarta, 24 December (ANTARA)—The Central Bank has called on the public not to believe misleading rumors concerning certain commercial banks. The public should not worry about possible suspension of certain banks.

"Members of the public have heard the rumors and have immediately withdrawn their deposits, even though the rumors are not true," Dahlan M. Sutalaksana, spokesman of the Central Bank, said in Jakarta Monday.

Dahlan believes that certain quarters have spread the rumors so depositors will transfer their funds from the banks. Another reason why such rumors exist is because of the unhealthy competition among the banks.

Therefore, the Central Bank calls on the public not to believe in the misleading rumors and to show it by not

withdrawing their funds from the banks. "If people are taken in by the rumors and withdraw their money, the banks concerned will really have problems," said Dahlan. [passage omitted]

Philippines

Plot To Sabotage Air Force Planes Uncovered

HK2612035590 Manila PHILIPPINE DAILY GLOBE in English 26 Dec 90 pp 1, 6

[By correspondent Ritchie Salloman]

[Excerpt] Cagayan de Oro—Military intelligence operatives here claimed Tuesday to have uncovered a plot by rebel soldiers, reportedly led by renegade Lt. Col. Eduardo "Red" Kapunan, to destroy Philippine Air Force (PAF) planes based in Northern Mindanao, a ranking Army officer said.

The officer, who spoke on condition of anonymity, disclosed that Kapunan and an undetermined number of followers landed in Northern Mindanao and were spotted by government agents somewhere in Butuan City last week.

They were allegedly planning to sabotage aircraft belonging to Region 10-PAF Composite Air Support Force (CASF) based in Butuan and in this city sometime between December 26 and 31, the source added.

He said Kapunan and his men disappeared before a military dragnet could be set up. A soldier who reportedly had served under Kapunan when the latter was still in the active service told his superiors that he recognized his former commanding officer driving a white van with tinted windows in Butuan last Tuesday, the officer said.

As a precautionary measure, the officer said more security personnel were deployed around the CASF airstrips here and in Butuan. Security details on helipads and runways were also doubled.

"We believe that the suspects are not from the 4th (Army) Infantry Division nor from the Northern Mindanao Regional Constabulary Command but are disgruntled troopers from other Army divisions closely associated with ultra-rightist groups," the officer said.

He said that the plan to sabotage the PAF planes was uncovered by one of their "assets," a military term for civilian undercover informers.

The Northern Mindanao CASF has under its command at least six Huey helicopters, two Sikorsky choppers, and two T-28 World War II vintage "Tora-Tora" planes, which were being used to provide air cover during counterinsurgency operations. The same aircraft were used in "Operation Highlander," which resulted in the capture of renegade Col. Alexander Noble earlier this year.

Over the weekend, the military also reported that rightist rebels attempted to blow up PAF planes in Basa Airbase in Central Luzon. [passage omitted]

Army Chief Denies Coup Attempt

HK2612093790 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 26 Dec 90

[By Dick Sinchongco]

[Text] The Armed Forces of the Philippines [AFP] leadership denied the reported coup d'etat in Mindanao. Outgoing AFP Chief of Staff General Renato de Villa said the reported attempt to sabotage the Philippine Air Force planes in Butuan City is not true. De Villa explained there was no actual attempt in the southern Philippines. However, he said the report is presently under verification. It was reported that renegade Air Force Colonel Eduardo Kapunan attempted to blow up and paralyze the Philippine Air Force's air assets in Butuan City and that would have signalled the start of another coup attempt. Meanwhile, De Villa asserted the rebel soldiers have no capability of launching a widespread movement to topple the government.

Further on Denial

HK2612073390 Hong Kong AFP in English 0718 GMT 26 Dec 90

[Text] Manila, Dec 26 (AFP)—The Philippine military chief denied Wednesday reports of a new rightist plot to destroy aircraft in the southern island of Mindanao.

However General Renato De Villa confirmed that there were reports that leftist guerrillas would join any future military coup attempt.

Gen. De Villa said newspaper reports that rightist coup plotters were planning to sabotage military aircraft in Mindanao were "not correct", adding, "we have no specific report about it."

Asked about other reports that the communist insurgents had said they would take part in any future rightist military coup attempt, Gen. De Villa said, "We have information to that effect... that in case the ultraright will do something, they (the communist guerrillas) will also do their own thing."

But the general, who is due to retire next January, added that this was still "raw information" which needed to be "validated."

He also said the military were not worried about any rightist- communist tie-up to destabilize the government of President Corazon Aquino, although they were concerned about possible assassination attempts on police and military officials or bombings.

The communist New People's Army has killed hundreds of military, police and civilian officials in this city since

1987 while the rightists are believed responsible for most of more than 50 bombings of public places in Manila since August.

Local newspapers, quoting military intelligence sources, reported Wednesday that coup plotters in the southern city of Butuan were planning to destroy military aircraft based there and that security had since been beefed up at all airstrips.

The report came after four plotters were caught last week trying to blow up air force jets in a northern airbase in what military officials said was "part of another coup attempt."

Coup leader and ex-army Colonel Gregorio Honasan called on his followers Tuesday to regroup for more attempts against the government, which has weathered seven military rebellions since Mrs. Aquino took power in 1986.

Rightists had previously said they had established contacts with communist guerrillas in order to plan joint operations.

Newspapers Wednesday also quoted guerrilla statements as saying that the NPA [New People's Army] would take part in a joint civilian-military coup that would topple the government.

Meanwhile in Sariaya, southeast of Manila, the NPA freed a Filipino Protestant deacon they kidnapped 68 days ago, the victim and a relative said Wednesday.

Valerio Montalbo, 56, a plantation overseer, was kidnapped by guerillas in October on suspicion that he was a government intelligence agent.

However, the NPA freed him Tuesday after negotiations with his cousin Mario Montalbo, as well as with local officials, the cousin said.

Mario Montalbo said his cousin was kept blindfolded and chained inside a wooden cage through much of his captivity, adding that last week, the NPA had sent a message saying he would be executed after being found guilty by a 'peoples court' although the guerrillas later changed their minds.

However the freed man said that the NPA "were good to me."

"They did not hurt me," he said, adding that he had been given new clothes and a blanket when he needed it.

Defense Forces on Full Alert

HK2512092490 Manila PHILIPPINE DAILY INQUIRER in English 24 Dec 90 pp 1, 8

[By Dave Veridiano and Fe Zamora]

[Text] Defense forces in the metropolis went on full combat alert shortly after midnight yesterday amid reports of movements of rebel soldiers from the Bicol and Central Luzon provinces, it was learned yesterday.

The reports also placed the Presidential Security Group (PSG) on "war footing."

A battalion of soldiers in full battle gear from the National Capital Region Defense Command (NCRDC) was immediately fielded to guard both the southern and northern approaches of Metro Manila.

The alert status came on the heels of a military claim that soldiers have foiled rebel attempts to blow up airplanes at Basa air base in Central Luzon, which would have signaled the start of another attempt to overthrow President Aquino.

Backing up the soldiers were several armored personnel carriers (APCs) which were statioend in at least four strategic points in Metro Manila. Two APCs were posted near the North expressway, two at the boundary of Tagig and Muntinlupa and at least one each in every gate of Fort Bonifacio, the Army camp, and Camp Aguinaldo, the AFP general headquarters.

Police patrol cars were also mobilized to heighten the military's readiness against the coup plotters.

Some four hours before the NCRDC alert was raised, the Constabulary operation center in Camp Crame ordered a combat alert status to all PC [Philipine constabulary] units in the Bicol region "for possible rebel soldiers destabilization activities."

Reports reaching the military's intelligence units Saturday night said rebel soldiers in full combat gear aboard seven 10-wheeler trucks were stopped at the boundary of Pampanga and Bulacan.

Another report said a big group managed to move out of the Bicol region and was being tracked down by NCRDC intelligence agents.

It was not known, however, if the trucks were headed for Metro Manila to support the reported coup attempt, which the AFP said had been foiled.

An intelligence officer who refused to be identified said Dec. 23, 26, and 28 had been marked as "red days" for possible destabilization moves by the rebel soldiers. He refused to elaborate.

INQUIRER sources in the military said the troop deployment in Metro Manila was "part of security measures" implemented in the metropolis and the provinces.

"These are contingency plans. Kasama na yan sa [these are part of the] security measures," sources in the NCRDC said.

The combat alert status in Bicol may also have been part of outgoing AFP Chief of Staff Gen. Renato S. de Villa's directive for readiness during the Christmas break starting on Dec. 22.

"Practically one-half of the troops are on vacation. Those who are left on duty will have to be on full alert," said a Bicol-based colonel now in Manila for the Christmas holidays.

Other reports indicate, however, "unusual movements" in Bicol allegedly by remnants of rebel forces.

The Constabulary reported early this month the arrest of a PC captain and lieutenant for allegedly recruiting troops for another coup attempt.

Outgoing Army chief Maj. Gen. Guillermo Flores confirmed that Army officers were also questioned for initiating alleged recruitment activities.

The AFP is also on guard for the anniversary of the New People's Army on Wednesday. The NPA anniversary has always been marked with violence.

Meanwhile, a soldier was killed by an unidentified gunman while waiting for ride near a gate at Camp Aguinaldo early last night, military sources said.

Sketchy reports said the soldier was standing along Col. Bonnie Sedrrano Avenue when the assailant shot him in the head.

Copmmodore Virgilio Marcelo, camp commander, was summoned by De Villa for a conference immediately after the incident.

The identity of the victim was withheld pending notification of the next of kin.

Honasan Letter Appeals for 'National Survival'

HK2612035390 Manila PHILIPPINES NEWSDAY in English 26 Dec 90 pp 1, 2

[By Dario B. Agnote]

[Text] Fugitive coup leader Gregorio "Gringo" Honasan yesterday appealed to the Filipino people to "take time and reflect" on issues confronting the country and urged the people anew to unite and to "collectively take action for the sake of national survival."

In an open letter sent to media, Honasan said: "We must collectively take the future in our hands, plan and organize, and infect others to unite and take action for the sake of national survival."

"We must endeavor to muster clearer awareness of the glaring basic issues and impel sustained, massive public indignation for the utter failure of the present pretenders to national leadership to assume and exercise their supposed mandates," Honasan said in a one- page letter dated Christmas day.

Honasan, who carries a P [Philippine peso] 5 million cash reward for his capture, was among the leaders of the failed August 28, 1987 and the weeklong December 1989 coup attempt which came close to toppling the Aquino government.

Honasan is among the 15 "most wanted renegade military officers" who are being hunted by the military. The military has put up millions of pesos for the capture of coup leaders including Honasan, former Air Force Brigadier General Antonio Zumel, Air Force Lt. Colonel Eduardo Kapunan, PC [Philippine Constabulary] Lt. Colonel Victor Batac, PC Brigadier General Edugardo Abenina, Navy Captain Felix Turingan and several others who have remained at large despite the massive and sophisticated manhunt operations by the military.

Honasan's letter in full:

To Our Beloved Countrymen:

Our struggle continues.

You have sustained and nurtured us over the past years with your unyielding support and your unceasing prayers. In return, we have consistently renewed and pursued our commitment to you, our people, to vigorously pursue the unfinished revolution of our forefathers; to swiftly avert further violence to be inflicted on you through vindictiveness, greed, inefficiency, ignorance and injustice; and, if warranted, to serve as instruments of transition in our long- delayed quest for good government.

For this reason, even during this time of Advent, the season of faith, love and hope, we are asking you to take time and reflect on the very recent past and develop a dispassionate evaluation of what otherwise we could have achieved as a people had we opted to decisively assert ourselves prior to all these crisis; as well as, what we have actually failed to accomplish because we chose to heed and lay our hopes on empty promises, grand deceptions and outright lies. We should not allow ourselves again to be lulled to complacency or indifference, or worse, driven to despair, resignation and inaction.

Undoubtedly, the Filipino deserves much more.

True, we do have to concede our limitations as a nation and the given conditions of our environment. But more importantly, we have to be propelled by our historically validated capacity to articulate and demonstrate our collective will and forcefully act to impose it.

We must collectively take the future in our hands, plan and organize, and infect others to unite and take action for the sake of national survival. We must endeavor to muster clearer awareness of the glaring basic issues and impel sustained, massive public indignation for the utter failure of the present pretenders to national leadership to assume and exercise their supposed mandates.

Only after we shall have done all these things could we begin to invoke peace, justice and reconciliation for all.

Otherwise, we can merely wish for all, a meaningful and blessed Christmas and a less troubled New Year!

May the Almighty continue to keep us all and our beloved country in the hollow of His palm. Para sa Diyos

at sa Bansa [for God and for the Country] (signed) Gregorio B. Honasan, Kawal ng Sambayanang Pilipino [Soldier of the Filipino People]

Army Chief on Honasan

HK2612091390 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 26 Dec 90

[Text] Armed Forces of the Philippines [AFP] Chief of Staff General Renato de Villa said renegade Army Colonel Gringo Honasan may possibly be in Manila; and shrugged off the reported New People's Army [NPA] and Reform the Armed Forces Movement [RAM] alliance. Here is Dick Sinchongco with the details:

[Sinchongco] AFP Chief of Staff General Renato de Villa said renegade Colonel Gregorio Gringo Honasan may possibly be in Manila. De Villa said Metro Manila is the center of communications and also the center of publicity and it is just right for Honasan to be here. However, he explained he has not received any confirmed report stating Honasan was indeed seen in Metro Manila. At the same time, De Villa expressed the fear that the rebel soldiers may continue to launch terrorism, like bombings and assassinations of civilian and police officials. In an interview with Malacanang newsmen, De Villa said:

[Begin recording in English] [De Villa] We are not worried about any move that would endanger the government. What we are concerned about is certainly the [words indistinct] that they are capable of. That is really what we are watching for.

[Unidentified correspondent] What are the others, sir?

[De Villa] Well, bombings, for instance, is one. Assassination of police and civilian officials and military officials, another. And things that can embarrass the government are things we are concerned about. But in so far as a major destabilization or a coup attempt is concerned, I think these are not possible at this time. [end recording]

Meanwhile, De Villa shrugged off the reported alliance between the NPA and RAM in toppling the government.

Honasan Visits Investigated

HK2612095990 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 26 Dec 90

[Text] The Camp Aguinaldo battle staff could not yet confirm the reported visits made by renegade Colonel Gringo Honasan to some of his supporters in Makati. General Emiliano Templo said the military is still verifying intelligence reports which stated that Gringo Honasan visited three of his supporters in Dasmarinas village, Magallanes village, and Ayala center in Makati, Metro Manila. Here is General Emiliano Templo's statement:

[Begin recording] [Templo] Our intelligence operatives are verifying all these information. As to whether he was really there or not, that is one thing we also want to know. We immediately verify reports saying that Honasan is here. But we do not really know whether he was really there.

[Correspondent Macalma] Sir, one report said that Honasan visited one influential politician in Dasmarinas village and another report claimed he also visited one mansion in Magallanes owned by a former prominent Makati politician. Another report said he visited a condominium in the Ayala center, also owned by a prominent Makati politician. Do you have reports on this, General?

[Templo] You know Deo, these reports are under the jurisdiction of the intelligence operatives. We will be informed about this when they have arrested some members or an informant tells us that he is really here. We receive much information from concerned citizens and we verify these. [End recording]

224 Soldiers of Mindanao Mutiny Dismissed

HK2412131290 Manila PHILIPPINES NEWSDAY in English 13 Dec 90 p 3

[By Dario B. Agnote]

[Text] Mayor General Guillermo Flores, Army chief, has ordered the dishonorable dismissal from the military service of 224 Army soldiers who were involved in the three-day mutiny led by Colonel Alexander Noble in northern Mindanao last October.

At the same time, Flores announced the unconditional surrender of Army Major William Dormitorio—a leading figure in the shortlived Noble mutiny.

Flores said Dormitorio surrendered after five weeks of hiding in the jungles of Agusan del Sur. Dormitorio led the mutinous forces in Iligan and Cagayan de Oro at the height of the uprising. The military said Dormitorio tried to organize a reinforcement in Iligan City but was later subdued by the government forces.

Last December 1989 coup, the military said Dormitorio called a news conference and announced his support for the rebel forces but was forced to resign as battalion commander when the coup was foiled.

Later his resignation as battalion commander, Dormitorio handled a small unit called Regional Community Defense Unit in the border of Agusan del Sur and Bukidnon. He was reportedly recruited by rebel military forces again.

Flores said the 224 dismissed Army soldiers were implicated not only in the December 1989 coup attempt but also to the Noble-led military uprising in Butuan City and Cagayan de Oro City which left at least four persons dead.

"Most of the dismissed soldiers were two-timers, meaning they were involved in both the December 1989 coup and the Mindanao mutiny," Flores told reporters

in Fort Bonifacio. "It was very clear from the start that these soldiers were following illegal orders from an officer who is no longer within the chain of command."

Flores added that the 224 dismissed soldiers facilitated the entry of Noble and his some 200 armed supporters in the Army's 4th Infantry Division headquarters in Camp Evangelist in Cagayan de Oro on the second day of the mutiny aimed at establishing a civilian-military junta in the whole of Mindanao.

Flores said the 224 dismissed soldiers were from the Army's 53rd Infantry Battalion, 23rd Infantry Battalion and the light armor component of the 4th Infantry Division based in northern Mindanao.

"Let the discharge of 224 enlisted personnel be a fair warning to all (soldiers)," Flores warned, saying he would not hesitate to discharge soldiers who "go astray" or who would "go out of the bounds" of their Constitutional duty to serve and protect the people.

Aquino Agrees to Return of Cojuangco's Family

HK2212063990 Quezon City Radyo ng Bayan in Tagalog 0600 GMT 22 Dec 90

[Text] Former Ambassador Eduardo Danding Cojuangco's family has been allowed to return to the country in consideration of Christmas. Solicitor General Francisco Chavez said President Aquino agreed to his proposal for the government not to go after the Cojuangcos. This reportedly is in relation to a court's decision upholding the right of Cojuangco's wife and children to obtain passports. According to Chavez, the government has the chance to pursue Cojuangco, but decided against it.

Iranian Deputy Minister Assures Oil Supply

HK2212021390 Manila Far East Broadcasting Company in Tagalog 0100 GMT 22 Dec 90

[Text] Iran has assured the Philippines of continuous crude oil supply, including 40,000 barrels of crude per day it promised the country even if war erupts in the Persian Gulf. Through visiting Deputy Foreign Minister Aladdin Boroujerdi, Iran also assured the safe passage through its territory of Philippine evacuees stranded in Kuwait. At the same time, Boroujerdi stressed his government will not support the Moro National Liberation Front seeking membership to the Islamic Conference Organization. The Aquino government has been taking up efforts to restore the rights of the Muslims in Mindanao.

Cooperation Agreement Signed

HK2612105990 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 26 Dec 90

[Text] The Department of Foreign Affairs announced the Philippines and Iran signed an agreement for stronger cooperation on various sectors, including efforts against prohibited drugs. The agreement was signed recently by Iranian Deputy Foreign Minister Aladdin Boroujerdi and Foreign Affairs Undersecretary Manuel Yan. Included in the agreement are intensified cooperation on economy, industry, science, technical, and agricultural aspects.

Embassy in Saudi Arabia To Assess Gulf Crisis

HK2612094190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 26 Dec 90

[By Rey Arquiza]

[Text] The Department of Foreign Affairs [DFA] today ordered the Philippine Embassy in Saudi Arabia to monitor and assess the developments on the Gulf crisis in relation to the forthcoming UN deadline for Iraq to leave Kuwait. The embassy was also ordered to issue advisories to the over 400,000 Filipino contract workers in Saudi Arabia if necessary in order to warn the Filipinos there. The DFA's order to the embassy in Saudi Arabia was based on the exchange of statements between U.S. President George Bush and Iraqi President Saddam Husayn on the UN deadline afterwhich the multinational force is authorized to use force to push Iraq out of Kuwait. The Filipinos will be advised to evacuate to safer places in Saudi Arabia based on the Philippine Embassy's assessment and if it believes there will be a shooting war in the Gulf. Earlier, the Saudi Arabian Embassy in Manila announced that the Filipinos could be evacuated to far flung places which are believed will not be affected by a war.

Meanwhile, Foreign Affairs Undersecretary Manuel Yan announced that the repatriation of the Filipinos in the Gulf concludes at the end of this month.

Senator Opposes U.S. Bases Use in Gulf Crisis

HK2612103590 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 26 Dec 90

[Text] Senator Wigberto Tanada opposes the use by the United States of its military facilities in the country in the event war erupts in the Gulf. Here is Jojo Ismael with the details:

[Begin recording] In a statement, Senator Tanada said the U.S.-Philippines Mutual Defense Treaty should not be used as the basis for the assumption that the Philippines is allowing the United States to use any part of the country in its battle against Iraq or any country in the world. The senator stressed the government would be obliged to enforce two important policies in the Constitution: First is the renunciation of any kind of act of war as a national policy; and the second is the country's nuclear-free policy. Tanada said the advancement of U.S. interests should not be the government's reason to participate in any war that could endanger the lives of any Filipino citizen or lead to the destruction of his property. Tanada believes that the people would condemn the government if it allowed this to happen. [end recording]

Communist Party To Join Next Military Uprising

OW2612104690 Tokyo KYODO in English 1019 GMT 26 Dec 90

[Text] Manila, Dec. 26 KYODO—The outlawed Communist Party of the Philippines is set to participate in the next civilian-backed military uprising being hatched by right-wing rebels, a local newspaper reported Wednesday.

The English language "DAILY GLOBE" reported that the Communist Party has passed a resolution entitled "The Political Situation and the Tasks of the Party for 1991" stating that it will play a secondary role in the next military attempt to unseat President Corazon Aquino.

At the Malacanang Presidential Palace, Aquino said in a statement, "The stability of our nation rests on the commitment of our people to democracy, freedom, and peaceful change."

"This is the best safeguard against plotters and traitors," she said.

The resolution said the "revolutionary forces will only be one of the strike force and, most likely, will not be a dominant force in the overall leadership." The resolution was published in the official party paper "THE NATION" and distributed to local media on Tuesday, the eve of the party's 22nd anniversary.

The party said in the resolution that the present economic and political crisis confronting the Aquino government will eventually lead to a city uprising, inter-elite rivalry, and new offensives by the communist New People's Army.

"The regime is extremely vulnerable to the anger and people protest, to intensified guerrilla war, coup threats and the challenges posed by its reactionary rivals for power," it said.

The resolution, however, said the crisis situation will only lead to a "people's uprising similar to the uprising at Edsa" and not to a final showdown against the Aquino government.

The 22nd anniversary resolution is a far cry from the party's earlier stance of dissociating itself from the right-wing military rebels which have mounted at least seven attempts to topple the Aquino government.

The party was formed in 1968 in the northern Phillipine province of Pangasinan by intellectual Jose Sison. He is now in Europe after his passport was revoked by the government for his harsh criticism of the Aquino leadership.

The party set up its army in 1969 to wage a protracted war using Maoist strategy.

Party Sees 'Turbulent Year'

HK2612052990 Manila PHILIPPINE NEWSDAY in English 26 Dec 90 pp 1, 2

[By Dario B. Agnote]

[Text] The banned Communist Party of the Philippines (CPP), which celebrates its 22 years anniversary today, predicts 1991 as a turbulent year for the Aquino government and says it sees more protest mass actions, and even mass uprising, brought about by the worsening economic and political crises gripping the country.

In an asessment paper prepared by the executive committee of the CPP, the communist insurgents also predict that "in the near future" these crises would further develop into conditions conducive to their plan next year to intensify their "national democratic revolution" in the countryside and their urban guerilla warfare in the key cities.

"Sa malapit n hinaharap, maaring sumambulat ang pagaalsang masa bunga ng patuloy na pagtindi ng krisis, labanan ng mga reaksyunaryo, mga pakikibakang masa at taktikal na opensiba ng hukbong bayan (in the near future the mass revolt can explode due to the worsening crisis, infighting among the reactionaries, mass actions and tactical offensives of the people's army)," the CPP document said.

"Kung magaganap ito, ang pagsambulat ay malamang na magiging bunga ng pagtatagpo ng pag-igting ng mga pakikibakang masa at ng marahas na alitang panloob sa malamang narealsyunaryong estado launa sa AFP [Armed Forces of the Philippines]. Ang malamang na pagkakahanay ng mga puwersang pampulitika at mga isyung pwedeng aktwal na pagmulan ng pagsambulat ay mas lilinaw pa sa higit na pagigting ng krisis at mga labanan (If this happens, the explosion will be the result of the meeting of the intensification of the mass struggle and the violent intramurals within the reactionary state particularly in the AFP. The alignment of political forces and issues will become clearer as the crisis worsens)," the seven-page CPP document published in their official organ ang bayan [THE NATION] said.

The document also stressed the need to consolidate its machineries and forces in an effort to take advantage of the mass unrest. "Ang partido at kilusang pambansang demokratiko ay nasa mahusay na pusisyon para samantalahin ang napakainam na kalagayan at higit pang pabilisin ang pagsulong ng rebolusyon (The Party and the National Democratic Front are in a very good position to take advantage of this very opportune situation to hasten the advance of the revolution)," it said.

In this light, the document enumerated its main tasks to further advance their decades-long political and armed struggle. The tasks include:

—The need to completely expose and isolate the "U.S.-backed Aquino regime";

—To expose the U.S. role in the severe economic crisis gripping the country today;

—To advance mass protest actions such as strikes, allies and the like in key urban cities and mobilize the peasants in the countryside;

—To organize and mobilize the broadest united front from different progressive forces who are identified as anti-imperialist, anti-feudal and anti-fascist; and

—To intensify urban guerilla warfare in urban centers and tactical offensives in the countryside.

The document also stressed the need to launch more mass actions in urban centers that will not only cater to the workers, students or urban poor sectors but to the middle class as well.

Military on Alert for NPA Anniversary Violence

HK2612105790 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 26 Dec 90

[Text] The entire Armed Forces of the Philippines [AFP] is on alert for any violence which may be launched by the CPP-NPA [Communist Party of the Philippines-New People's Army] in relation to the celebration of its 22d anniversary. In previous years, the communist rebels had attacked military and police outposts in celebration of their anniversary. The military said any CPP-NPA violence will be met by an equal action. In related news, top AFP officials shrugged off the CPP-NPA statement to join the launching of a new coup d'etat. AFP Chief Renato de Villa and Vice Chief of Staff Rodolfo Biazon said the communist movement has no capability to do this. According to the two, the statement only shows the CPP-NPA's desire to grab power in any way.

Vietnam

Foreign Ministry Official Welcomes Cambodian Meet

BK2612094490 Hong Kong AFP in English 0925 GMT 26 Dec 90

[Text] Hanoi, Dec 26 (AFP)—Vietnam welcomed Wednesday the recent meeting in Paris of Cambodia's warring factions who forged an agreement at a session of their Supreme National Council (SNC).

"Vietnam welcomes the recent meeting between the SNC and the two co-chairmen of the Paris International Conference on Cambodia as well as all efforts aimed at pushing forward the process of solving the Cambodian problem," a Foreign Ministry official said.

The four warring factions—the Vietnam-backed Phnom Penh government and the three resistance parties—reached an agreement on fundamental aspects of a U.N.-drafted peace plan at the SNC meeting December 21 and 22.

But they failed to agree on the key issues of disarmament and demobilization of Cambodian forces in a transitional period before elections.

The U.N. document—drafted by Britain, China, France, the Soviet Union and the United States—would grant the United Nations wide powers pending elections.

The Ministry official said Phnom Penh Prime Minister Hun Sen had stressed that internal problems of Cambodia's internal problems must be settled by Cambodians themselves.

Documents from the meeting had clearly shown the stance taken by the six Phnom Penh representatives on the 12-member SNC, he said.

Commentary Supports State of Cambodia's Stance

BK2312134590 Hanoi Domestic Service in Vietnamese 0015 GMT 22 Dec 90

[Commentary by Duong Quang Minh: "The Just Stance and Goodwill Attitude of the State of Cambodia"]

[Text] This time, the meeting of Cambodia's Supreme National Council [SNC] will take place in Paris after it was suspended in Bangkok, Thailand, last September due to the unconstructive attitude of members of the Democratic Cambodian side.

Over the past three months, prompted by a high sense of responsibility, the State of Cambodia has on many occasions sent letters to members of the Democratic Cambodian side as well as to the co-chairmen of the Paris International Conference on Cambodia—Indonesian Foreign Minister Alatas and French Foreign Minister Dumas—proposing that the SNC meeting be resumed after it was suspended due to the evasive attitude of members of the Democratic Cambodian side.

The key issues under discussion at the upcoming meeting will center around the internal aspects of the Cambodian problem as well as the council's leadership and operating procedures.

The sovereignty and right of self-determination of the Cambodian people cannot be violated or decided by anybody or any organization. Only the Cambodian people can exercise their sovereignty and right of self-determination through free and fair general elections to choose their own socioeconomic regime and leadership.

Once again, this stance has been reaffirmed at a meeting of the Political Bureau of the Kampuchean People's Revolutionary Party two days ago to discuss a political solution to the Cambodian problem and the stance of the State of Cambodia delegation at the upcoming meeting of Cambodia's SNC in Paris.

Comrade General Secretary Heng Samrin pointed out: It is easy to reach a political solution to the Cambodian problem if the other side adopts a practical attitude and accepts the reality in Cambodia. Nonetheless, if they persist in their demand for dissolving the Cambodian Government and armed forces and for putting Cambodia under the administration of a certain organization, the peace process in Cambodia will get into a new deadlock as could be seen through the previous resolutions on Cambodia which did not include the participation of the genuine representatives of the Cambodian people during the past 11 years.

Another key problem which should not be left out in any document involves the Pol Pot clique's genocidal crimes, which cause concern for the progressive world peoples and many signatories of the international convention on preventing and punishing genocide.

The stance of the State of Cambodia has been supported by world public opinion. Any political solution to the Cambodian problem which does not include measures to prevent the recurrence of the genocidal regime is not a comprehensive solution. The best measure to prevent the return of the genocidal regime is to eliminate the Pol Pot clique's organization both politically and militarily.

As for us, we fully support the stance of the State of Cambodia. We affirm that Cambodia's affairs must be settled by the Cambodian people themselves without outside interference. We support the Cambodian people's aspirations for peace, independence, liberty, and freedom from the danger posed by the genocidal regime. We are convinced that the State of Cambodia possesses high determination and goodwill to peacefully settle Cambodia's internal affairs.

All deliberate attempts to oppose the Cambodian people's goodwill stance and aspirations will only cause the Cambodian situation to worsen and will merit public condemnation.

Yemen Supports Stance on Cambodian Issue

BK2612080690 Hanoi VNA in English 0716 GMT 26 Dec 90

[Text] Hanoi VNA December 26—The Yemeni Government fully supports Vietnam's stance that Cambodia's internal affairs must be decide by the Cambodian people themselves without outside interference or imposition.

This was stated by Yemeni Minister of State for External Relations Dr. 'Abd-al-'Aziz al-Dali during his reception of Vietnamese Ambassador to Yemen Tran Nhu Lich on December 23.

Dr. A. L. [as received] al-Dali said: "The settlement of the internal affairs of each country is an important principle of the U.N. Charter, and it applies not only to Cambodia but also to all other countries in the world. Now that Cambodia has set up the Supreme National Council, all her internal affairs must be discussed and decided by that council."

Hau Giang Disciplines 800 Party Members

BK2612074590 Hanoi Domestic Service in Vietnamese 1100 GMT 25 Dec 90

[Text] Hau Giang Province is applying measures to countercorruption particularly at the local offices, which have a lot of information about corruption from the public, and to strictly punish party members who break laws.

After checking party members about observing party regulations, the province took disciplinary action against 800 party members; 1250 members were given reprimands, critical warnings to improve. More than 200 party member who owed debts to the state or the collectivization organizations have paid nearly 510 million dong and nearly 200 tonnes of paddy this time.

The party committees are working with the state offices to investigate and prosecute 170 non-party member cadres for breaking the rules, including stripping off the village people's committee representative status of 24 persons.

64 District Party Members Disciplined

BK2312140590 Hanoi Domestic Service in Vietnamese 1430 GMT 22 Dec 90

[Text] In Hau Giang Province, the Thot Not District party committee held a conference recently to review the implementation of party regulations and found out that 103 party members still owed the state more than 400 million dong. The district party committee took disciplinary action against 64 party members—three of them were party committee members—and confiscated 140 million dong and 30 tonnes of paddy.

The district has combined the implementation of party regulations with the struggle against corruption. It has tried to collect debts for the state at various agencies, sectors, and branches, especially at trade, supply, and banking establishments. Thau Thuan and Thanh An villages were selected as exemplary localities for this task.

Ha Nam Ninh Takes Action Against Party Members

BK2012141190 Hanoi Domestic Service in Vietnamese 1430 GMT 15 Dec 90

[Text] In Ha Nam Ninh Province, the Ly Nhan District party committee recently held a political activity to consolidate grass-roots party organization and purify the contingent of party cadres.

During this political activity the Ly Nhan District party organization disciplined 398 of the total 435 party members who violated party discipline. Among them, 17 were expelled from the party and 167 were removed from party organization. One district party committee member and 16 village party committee members received disciplinary action.

The district party organization also strived to enhance education and training of party members, encouraged them to overcome shortcomings, and concentrated efforts on resolving pending economic issues. Also during this political drive, 74 party members cleared their debts with a production collective paying almost 40 tonnes of paddy.